Labour Monthly

EDITED BY R. PALME DUTT

London—Moscow—Berlin

PLAIN WORDS ON THE CRISIS

SEPTEMBER 1939 SIXPENCE

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LABOUR MONTHLY

A Magazine of International Labour

VOLUME 21 SEPTEMBER 1939 NUMBER 9

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Labour Monthly

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43 MUSEUM STREET,
New Oxford Street, London, W.C.1
Telephone: HOLBORN 6656

The Editor of The *Labour Monthly* invites contributions. He cannot, however, be held responsible for MSS. sent to him or undertake to enter into correspondence regarding rejected contributions.

The articles in The *Labour Monthly* are indexed in the International Index to Periodicals, New York City, U.S.A., as well as in the annual index in each December issue.

Subscription Rates

(Post free)

BRITISH ISLES:

One year - 7/- Six months - 3/6

May be paid direct to *Labour Monthly*, 43 Museum Street, London, W.C.1, or through any subscription agency.

ABROAD:

One year 8/- or $2.00
Six months 4/- or $1.00

Subscription Representatives Abroad

AMERICA:
Philip Novick, 2800 Bronx Park East, New York City, U.S.A.

CANADA:
Central Distribution Agency, 464 Yonge Street, Toronto, Ont., Canada.

SOUTH AFRICA:
The People's Bookshop, 30 Kerk Street, Johannesburg, South Africa.

NEW ZEALAND:
Progressive Books Ltd., 18 Darby Street, Auckland, New Zealand.

Or through any Subscription Agency

WHOLESALE:

The *Labour Monthly* is obtainable wholesale from W. H. Smith & Son Ltd., Portugal Street, London, W.C.2, and most other wholesalers.

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London–Berlin–Moscow

Plain Words on the Crisis

IN THE HOUR of show-down there is no room for soft, empty words. In the present emergency, when the labour and democratic movement is being stampeded blindfold into national unity behind Chamberlain for its own destruction, and is losing all sense of direction in the sharp new turns of the international situation, it is necessary to state with brutal plainness the facts of the situation, the facing of which is the first condition for rallying and recovery.

1. The present crisis is the direct consequence of the refusal of the Peace Front. Poland is in danger, Britain is in danger, all the countries threatened by fascism are in danger, because their Governments have refused the offer of the Soviet Union to sign an all-inclusive reciprocal Pact of Mutual Defence, which would place an overwhelming superiority of forces on the side of peace.

2. The direct responsibility for this situation rests with the policy of British reaction, represented by Chamberlain, which has continuously opposed and sabotaged the Peace Front, and assisted fascism and fascist aggression, because it has dreamt of playing off the fascist Powers against the Soviet Union, and of solving the problems of British imperialism by diverting the attack of the fascist Powers into war on the Soviet Union. This fatal policy, openly expressed at Munich, has never been abandoned during the five months of insincere negotiations with the Soviet Union. The negotiations were only seen as a means of diplomatic pressure on fascism to come to terms. They were never seriously pursued to reach agreement. Secret intrigues between British and Nazi representatives continued actively alongside, and preparations were made for a second Munich. The Burckhardt visit to London, the Kemsley visit to Hitler, the Papal moves and the arrangements for the Brussels Conference of the Oslo Powers were signs of the advance of these plans. There is

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evidence that the bomb was timed to explode at the Brussels Conference, which was intended to lead to a new Conference of Powers, excluding the Soviet Union.

3. The heaviest responsibility rests on the labour movement during these five months for the failure to lead the fight against Chamberlain and compel the signing of the Anglo-Soviet Pact, and falling instead into the channels of Chamberlain's policy (the Southport Conference refusing unity against Chamberlain ; Bevin's " appeasement " speech ; criticism of the Peace Front as a " negative " " anti-fascist " policy ; demands for a " constructive peace policy " to be reached after the Peace Front, and ignoring of the one issue that mattered, that the Peace Front had still to be won).

4. The swift Soviet counter-stroke, by the signing of the Non-Aggression Pact with Nazi Germany, smashed these plans of world reaction in the nick of time. The Soviet-German Non-Aggression Pact is the logical and inevitable answer to the treachery, double-dealing, sabotage of the Peace Front and counter-revolutionary war plans of British imperialism, and to the spineless impotence, passivity, trust in Chamberlain and incapacity of leadership of the official democratic opposition in Britain and France. The howl which greeted it from the representatives of this leadership of the betrayal of democracy is only the expression of the consciousness of the bankruptcy of their own policy.

This blow represents the heaviest defeat of world reaction, fascism and the whole policy of Chamberlain and the " National " Government since the beginning of the offensive eight years ago. It has disrupted the camp of counter-revolution. It has blown up the Anti-Comintern Pact. It has thrown the Chamberlain counter-revolutionary policy into confusion. This victory was only made possible by the firmness and strength of the Soviet Union, which has thus proved that, not the policy of surrender and so-called " appeasement," but only the policy of unyielding firmness and strength can bring peace.

5. The fiasco of Chamberlain's policy has now brought the sharpest issue before the British people. Nothing is to be gained by minimising the seriousness of the situation, which is the consequence, not of the Soviet Union's policy, but of Chamberlain's refusal of the Peace Front. The outcome of Chamberlain's policy, after strengthening fascism, has

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neither achieved its counter-revolutionary aim, nor has it won the protection of the Peace Front: instead, it has left the British people exposed to the ever closer menace of war under the most unfavourable conditions.

6. The most urgent responsibility now rests on the labour and democratic opposition to follow up the Soviet counter-stroke by driving home the attack against Chamberlain and his reactionary policy and securing his defeat. The Soviet Union's blow against the whole Munichite camp has created the most favourable conditions for us to follow up the victory on our side. Chamberlain's policy stands exposed. It has not brought peace. It has brought the most extreme war danger under the most formidable conditions of friendlessness for the British people. The only way forward for the British people is to defeat Chamberlain and establish collaboration with the Soviet Union for a real peace system. The Soviet Union stands ready, so soon as we are ready.

7. The complete collapse and abdication of the official labour and democratic leadership in this testing time, the infamous attempt to divert the anger of the people, which should be directed against Chamberlain, into a campaign against the Soviet Union, the lining-up of the official leadership in national unity behind Chamberlain, and the demoralisation of sections of labour and democratic opinion, is the most serious danger of the present position. This official "national unity" behind Chamberlain, at a time when everything depends on concentrating all forces to fight and defeat his policy, represents the climax of the whole record of betrayal, and already takes on the full character of 1914. In this way the door is opened to the attack of fascism in Britain, by increasing measures against the basis of democracy.

8. The present situation requires: not so-called "national unity" which is in reality betrayal of the nation, but intensification of the fight against Chamberlain; immediate rallying of the labour and democratic movement against the present demoralisation; unity of the labour and democratic forces for the defeat of Chamberlain, for the defence of democracy against reaction at home and abroad, and for collaboration with the Soviet Union and all States willing to participate in the establishment of a real peace system.

R. P. D.

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The Fiasco of Chamberlain's Policy

BY WILLIAM RUST

The following article was already in type when the news of the Soviet-German negotiations was announced and it is therefore necessary to write a comment, necessarily brief, in the light of this important change in the international situation.

The fiasco of Chamberlain's policy, which Stalin foretold in March and to which reference is made in the article, has now been sharply revealed. The Soviet Union has effectively checked the second phase of the Chamberlain attempt to provoke a war between Fascism and Communism. In face of the power and unity of the Soviet Union Hitler has been compelled to make a formal renunciation of his aggressive aims against the land of Socialism.

But what about Britain? I should like to draw attention to my conclusion that "both Britain and France are now in an extremely dangerous position." This is the result of Chamberlain's policy of refusing Russia's hand of friendship and of deliberately strengthening the Fascist enemy. The British people can only save themselves by ending Chamberlain's double-dealing policy and making the Peace Front into a reality by immediately concluding the Anglo-Soviet Pact. The main conclusion of the article, the necessity of the Pact, stands more sharply than ever.

The British working class movement must now resolutely face its responsibilities. Up till now it has avoided them. Instead of fighting for a Peace Front and accepting equal obligations with the Soviet Union it permitted Chamberlain to carry on his shifty pretence of negotiations. Three years ago the leaders of the Labour Party left the Spanish people in the lurch in the name of "non-intervention." This year they intended to leave the Soviet Union in the lurch in the name of "international reconstruction."

But thanks to the revolutionary policy of the Bolsheviks the Soviet Union is strong enough to take care of itself and now it is the British people who find themselves in danger. But it is not too late to make a change. The road of the Anglo-Soviet Pact still remains open.

But in order to advance along that road it is necessary to fight the treacherous policy of the dominant leaders. I want

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only to remind the reader that on August 16th the "Daily Herald" was in full cry for appeasement and declaring that "anti-Fascism is not enough." On August 22nd it was again backing Chamberlain and accusing the Soviet Union of "betrayal." This is nothing but an attempt to disorganise the movement at a moment when all forces should be concentrated on the fight to get rid of Chamberlain and to compel the immediate signing of the Anglo-Soviet Pact.—W.R.

WHAT WILL HAPPEN *this* September? The air is thick with rumour and public opinion is marked by a heavy uneasiness. Confusion and distrust has followed on the hopefulness which was first awakened by the opening of negotiations with the Soviet Union and the rosy promises of a Peace Front. To-day everyone feels that the crisis is approaching again. But what to do? The ordinary man feels helpless, in the grip of a political paralysis. Parliament has adjourned and the Premier is fishing with his multi-millionaire friend, the Duke of Westminster; the news in the papers is perplexing and the torrent of information about moves and counter-moves difficult to follow. Only one thing is absolutely certain, that Hitler is preparing to strike again because the Peace Front against Fascist aggression does not exist.

It is easy to draw a comparison with the crisis of twelve months ago. Many features are similar and the technique of Fascist aggression is practically the same; this time it is Danzig instead of Czechoslovakia, the troops are mobilised as before, incidents are manufactured, there are strident demands for self-determination and the so-called democratic powers are manœuvring for a solution along the lines of appeasement. With this comparison in mind it is not difficult to forecast a "second Munich," but it is just this simplification of the issues which conceals certain grim new realities.

History will not repeat itself this year. There may be a compromise or sell-out over Danzig. That we will see very soon. But between the crisis of this year and of last there is the following important difference—*the edge of Fascist aggression is now turned against Britain and France.*

A year ago Britain was still engaged in the hypocrisy of non-intervention and Runcimanism with the object of giving Fascism the necessary strength in order to proceed against

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the Soviet Union. But that game did not come off. The military strength and political unity of the Soviet Union was sufficient to frighten off the Hitler gangsters. At the 18th Congress of the Communist Party of the Soviet Union in March Stalin bluntly informed Chamberlain that his policy had resulted in a fiasco.

The new phase of British policy in this period of the second imperialist war became definitely marked by April. The old methods of directly strengthening Fascism and inciting it against the Soviet Union no longer sufficed and had indeed led to a fiasco. The game became infinitely more complicated, tortuous and dangerous. Measures were taken to defend British imperialist interests by the increasing of armaments and the introduction of conscription. These measures were also warning to the German Fascists to tread more closely the path of anti-Soviet aggression. At the same time Chamberlain embarked on his Peace Front manœuvre both with the object of bringing Germany to heel and satisfying public opinion at home. Hitler replied by preparing the Danzig "question" (a threat to absorb Poland) and by turning the axis with Italy into a military alliance. Japan joined in the offensive and, beginning by the novel method of taking down British trousers, developed a general attack on Britain's relations with China and in particular the support given by Britain to Chinese currency.

There is no question but that these events have greatly aggravated the international situation. Fascism is more aggressive and its armaments are bigger than ever; no one feels certain what the next move will be, because the double-dealing policy of the National Government still leaves the road open to Fascism.

The confidence created by Chamberlain's changes of policy, at the time loudly hailed by the Labour Party, has now worn thin in spite of the elaborate Government propaganda and the steady pretence that a pact was about to be concluded with the Soviet Union. After five months there is no pact, only endless formulæ and talks. And therefore all of the highly publicised guarantees to Poland and Rumania are of little significance, as without the pact they cannot be

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implemented. Chamberlain has no intention of signing a pact with the Soviet Union; he only wants to keep up the farce of negotiations as long as possible in order to weary public opinion in Britain and to hold a card over Fascism until new terms are fixed up with Hitler. The feelers for the new terms have already been put out by the *Times* which proposes a peace conference to "settle everything." But what can be settled when no Peace Front exists and Fascism is still free to pursue its aggressive aims? Is there any method of settling the Danzig "question" except by bluntly demanding demobilisation and the abandonment of aggressive aims?

It must be emphatically repeated that without an agreement between Britain, France and the Soviet Union there is no basis for peace in Europe and there are no means of stopping Hitler. The Soviet Government wants the pact, took the initiative for it and is ready to sign to-morrow. It patiently continues the negotiations even though it is dealing with saboteurs and cannot force the hands of Chamberlain and Daladier—that is the job of the British and French working class. The Communist Party of the Soviet Union has steadily explained to the international labour movement that it has no illusions as to the real aims of British Imperialism. Speaking at the 18th Congress of the C.P.S.U. in March Manuilsky stated that:

> The plan of the British reactionary bourgeoisie is to sacrifice the small states of South-Eastern Europe to German fascism so as to direct Germany eastwards—against the U.S.S.R.; to retard the progress of Socialism and the victory of Communism in the U.S.S.R.; to buy off Germany with her imperialist claims on British colonies. At the same time the British reactionaries would like to use the U.S.S.R. to draw the fangs of German imperialism, to weaken Germany for a long time to come, and to preserve the dominant position of British Imperialism in Europe.

The penetrating acuteness of this analysis, borne out by the subsequent course of events, is in striking contrast to the amiable satisfaction expressed at the Southport Conference of the Labour Party, where the new phase in the Government's foreign policy was welcomed as the belated adoption of Labour's own proposals and the solving of the problem of collective security. In the light of this conclusion attention

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was concentrated on the big speech of the conference, namely, Mr. Bevin's grandiose plan for the pooling of world resources.

In the light of the present crisis the Bevin speech can now be seen in all its significance. It disarmed the Labour movement at the crucial moment of the fight for the Peace Front, deflected public attention from the urgency of the struggle to conclude the Anglo-Soviet Pact and proclaimed a policy of appeasing Fascism by offering it colonies and raw materials.

Now, on the eve of another great gathering of Labour, the September Trades Union Congress, Bevin has repeated these proposals with the obvious intention of preparing the way for nobbling the T.U.C. Commenting on his speech at Columbia University the *Daily Herald* joyously announces that :

> It was an appeal to the peoples of the democratic world to recognise that anti-Fascism is not enough, that no true rallying cry will issue from all the " anti " slogans. . . . Let us think in a similar fashion about the Peace Front which the democratic nations are building. It is a weakness in the Peace Front to-day that it possesses no programme of international reconstruction inspired by a vision of mankind happy in the cultivation of the arts of peace. (August 16.)

Strangely enough, the *Times* leader, already referred to, was published on the very same day. It also praised Mr. Bevin, treated the Peace Front as settled and called for a positive policy. The *New Statesman* has been on this tack for several weeks. The appeasers of all shades are in full cry.

But the plain fact is that the Peace Front does not exist. There is no Anglo-Soviet Pact. But there are two million German Fascist troops mobilised for war in Europe and there does exist a direct and immediate threat to Danzig.

Why then this concerted attempt to tell the world that the weakness of the Peace Front is the absence of a programme ? Fascist aggression will not stop until its bluff is called, until the countries which stand for the maintenance of peace unite their forces in opposition to the aggressor. Programmes of world reconstruction have very little to do with the present situation. If the programme is favourable to the aims of Fascism then the Dictators will grasp it in order to commit further acts of aggression; if it is unfavourable they will bluntly reject it.

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We repeat that the Peace Front does not exist, and it will not come into existence until the peoples themselves take an effective, direct part in the struggle against the policy of Chamberlain and Daladier. And this struggle is not something that can be dismissed as mere " anti " slogans. It is part of the fight for restoring international law and normal relations between the nations, of ending the armaments race and developing international trade, of strengthening the democratic rights of the people and preparing the way for the ending of capitalism. The aim of the Peace Front is to stretch out the hand of comradeship to the peace-loving peoples of the Fascist countries and to inspire them to overthrow their dictators. These things are the aims of the labour movement and they would be capable of realisation if there existed resolute international co-operation between Socialist Russia and people's governments in France and Britain.

This counterposing of an abstract, idealistic programme to the practical fight for the realisation of the Peace Front is chiefly dangerous because the members of the Inner Cabinet, as indicated by their mouthpiece, the *Times*, are clever enough to utilise the flowery sentiments of Mr. Bevin and the vapourings of the *Daily Herald* in order to cover up their responsibility for the sabotage of the pact and to give a halo of democratic idealism to their renewed efforts to make a deal with Hitler. And let it be remembered that these issues are not mere debating points; they are life and death questions for the people who are the pawns in the game and will have to pay the price.

Both Britain and France are now in an extremely dangerous position. Chamberlain and Co. are moving towards their second fiasco, but they continue to play with fire and desperately speculate with their criminal policy of encouraging Fascism even though the flames of war are mounting ever higher.

Will the Trades Union Congress face the realities of the present situation, or will it permit Bevin to repeat the futilities of Southport ? That is the vital question. That there will be a considerable body of opinion demanding a real fight against Fascism is indicated by the following resolution put forward by the National Committee of the Amalgamated Engineering

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Union :

> This National Committee registers its opinion that the policy of Chamberlain and the National Government has made possible the advance of Fascism in Spain, Middle and South-East Europe. Furthermore, the National Government have not, and do not intend to break with the policy of Munich with continued support of Fascism, but will continue to betray democracy.
>
> We hereby declare our relentless opposition to, and hatred of, the National Government.
>
> Fascism, which has been made more powerful by Chamberlain, is now used as a threat to the British working class to surrender their trade union and democratic rights, hours, wage rates and conditions in the defence of the country similarly to the attempt of Daladier virtually to dissolve trade unions and introduce longer hours, etc., in France. This National Committee will rigorously resist any such attempt in Great Britain.
>
> Chamberlain and his Government are not and never have been concerned with the defence of the working class in Britain and the democracies of the people of the world, as this record shows.
>
> We, therefore, call upon the whole membership to use all their influence in all their organisations to bring about the downfall of the National Government and the institution of a Labour-led People's Government, pledged to bring peace and security to democratic peoples throughout the world, linked irrevocably with the U.S.S.R., France, U.S.A. and other democracies.

Whatever the fate of this resolution, the T.U.C. will not be able to skate lightly over the big questions of the day with a brave show of confidence and a few grandiloquent speeches, as was done at Southport. For one thing the situation is sharper, and, although the Government has cleverly intrigued with the object of blaming Moscow for the pact failure, the main bulk of opinion in Britain is still vitally interested in the question and will not easily swallow the Chamberlain version of the negotiations. With the Fascists hammering at the gates of Danzig and the pact still unsigned it will be somewhat difficult for Bevin to sing his world conference lullaby again and to treat the Peace Front as a problem already solved. Moreover, the T.U.C. will have to pay some attention to the General Election now forecast for the second part of November. Even if some leaders of the Labour movement are already reconciled to the experience of another disastrous General

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Election failure, there are many workers in the trade unions who shudder at the prospect of another five years under Chamberlain and are determined to fight for unity and a militant policy.

The vigorous campaign of the railwaymen for the fifty shilling minimum wage is much more than an indication of the determination of the railworkers. The wages and conditions of workers in industry have lagged behind the improvements in the economic situation and the considerable increase in profits, and it is only now that the wages movement begins to assume militant proportions. Active delegates at the T.U.C. will undoubtedly make a strong fight on the necessity for a policy of trade union advance along the lines of (1) a drive for higher wages and improved conditions in the organised industries, (2) a campaign for a programme of industrial legislation, (3) a drive for the organisation of the unorganised.

The Trades Union Congress may in fact be able to repair much of the damage to the movement caused by the decisions of the Southport Conference of the Labour Party which, both by its specific decisions against unity and the way it lapped up and glorified the new phase of Chamberlain's pro-fascist policy, disarmed the workers in face of this year's crisis. The Southport Conference was followed by a certain disintegration of the left although this was far more observable in the intellectual circles than in the ranks of the militant workers. For example, the builders and engineers went on record for the People's Front despite Southport having "buried" the question once and for all, and the N.U.R. Conference showed an increased minority vote. Nevertheless, there has been considerable depression and a feeling that the fight for unity has reached a dead end. The fact that such a prominent personality of the Left Book Club as Professor Laski used the *Left News* in order to praise Southport also contributed to this feeling, and Cripps, losing heart in the fight for unity, began to speculate on the inevitability of war and was so taken in by the manœuvres of the Government as to believe that there was a serious split between Chamberlain and Halifax and that it was necessary to support the latter's

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stand (!) against Fascism. These waverings of the left intellectuals and also the earlier mistakes of the Cripps campaign, which tended to turn the People's Front into a lifeless formula, the mere collection of signatures without relation to the struggle of the workers, and also gave rise to the idea that the advocates of unity were out to form a new party in opposition to the Labour Party, have had an adverse effect on the movement in the factories and localities.

But the drive for unity is already beginning to gather force again, although much still needs to be done in order to consolidate all the left forces of the political and industrial sides of the movement. Only the united action of the workers and the people can crush the forces of reaction and Fascism—this is the inescapable lesson of the recurring crises. That is why the conscious fighters for unity keep resolutely to their task in spite of all setbacks and mistakes. And the main lines of the advance to unity are unmistakably clear; a peace pact with the Soviet Union, co-ordinated trade union action for higher wages and better conditions and no split in the anti-Chamberlain vote at the General Election. The development of the living movement around these issues, instead of a general campaign for the formula of the People's Front, is the way forward in the present situation. By renewing its campaign for affiliation to the Labour Party the Communist Party has again focussed attention on the burning question of the unity of the Labour movement and sounded a note of confidence to those who had begun to waver and give way to despair.

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No Quiet on the Spanish Front

BY ERNEST BROWN

SPAIN IS PASSING through a period of intense factional struggle. Contrary to the statement of Foreign Under-Secretary Butler that " Spain was going back to normal," it is clear that Franco is meeting opposition from all quarters. The military victory of the " Nationalist " forces, which held up the development of the democratic revolution, has raised internal dissensions to a critical point. Behind this internal fight for power are the imperialist designs of the Western European Governments. Neither Britain nor France wants to relinquish its economic interests in Spain to Germany and Italy or allow the country to become a base for the further development of the war plans of the Axis Powers. All these Governments, in one way or another, contributed to the defeat of the Republican Government and each worked to secure a decisive voice in the control of the Spanish State when the war ended. At the moment the balance is certainly in favour of the Fascist Dictators.

Of this we have clear evidence in the elevation of the Falange to the supreme position in Franco's State. And Fuehrer Franco has shown the hand of his Italo-German masters still further in the composition of his new Cabinet, wherein only two members of the former War Cabinet remain, most notable being the notoriously pro-Axis Señor Serrano Suñer, Minister of the Interior. Significant is the elimination of General Queipo de Llano and the supposedly " moderate " Foreign Minister, Count Jordana, the particular pet of British diplomacy—the latter's place being taken by Colonel Beigbeder. It is only necessary to record the comment of the Berlin correspondent of the *Daily Telegraph* (August 12, 1939) : " The new Spanish Government is regarded favourably in political circles in Berlin. The new Foreign Minister, Colonel Juan Beigbeder, is well known in the German capital, where he was at one time military attaché and he is regarded as a warm friend of the Third Reich."

Even before the fall of Catalonia, Chamberlain and Daladier were working for mediation under the specious plea of preventing further bloodshed. When the great retreat over the Pyrenees took place last February, another effort was made to weaken the influence of the Axis over Franco. Taking advantage of the opportunity created by the absence of the Republican Government Ministers, Besteiro, an old British Foreign Office agent, was used to organise the revolt which

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formed the mis-named " Defence " Council. This move divided the Spanish Republicans and though the revolt had no mass support it succeeded in its purpose.

The Defence Council under the leadership of Casado and Besteiro made every effort to placate and arrange a deal with Franco. Their first act was to surrender the naval forces. This was followed by a delegation, which was received by Franco, with a full plan of unconditional surrender of the towns and villages to the Fascist Forces and the handing over of all supplies by the Army. This plan was not accepted because Franco objected to the Defence Council being the instrument through which the plan was operated. This failure to arrange a deal with the Nationalists was a severe blow to British diplomacy, who had in mind their next step, namely, the advance of money credits for economic reconstruction. Besteiro amply confirmed his association in his defence before the Madrid Military Tribunal. The *Manchester Guardian* report (July 9, 1939) quotes his counsel as saying that " he accepted the invitation to attend the Coronation in 1937 only because it gave an opportunity for an interview with Mr. Eden, then Foreign Secretary, with the object of ending the war."

Yet the plans of the Foreign Office failed. The Defence Council under Casado and Besteiro made every effort to reach agreement with Franco. But Franco refused to make a deal with them even when they handed over the whole of the Republican Air Force and proposed a plan for the surrender of all men and arms. They tried to prevent any organised evacuation and were prepared to send all the Republican Leaders to the execution block to ensure that the policy of the British Cabinet was carried out. To-day they are no longer any use as tools of British and French policy which therefore placed their hopes on Jordana, the now displaced Foreign Minister, on the dissentient Generals. Monarchists, Carlists and other forces, who for various reasons, want to end the domination of the Falangists and the association with Rome and Berlin.

Franco, under pressure from Germany and Italy, is trying to establish a totalitarian state. On May 18, 1938, he declared his policy in these words : " The régime will be National Totalitarian—the State will be Syndical-Corporative. There will be no party but the Falange." Recent events have marked the formal, juridical achievement of this aim. But it is the application of this policy that is meeting with great difficulties. Whilst Franco's fourteen-point programme strongly resembles the German Nazi Party Programme, it is clear that the same economic and political basis does not exist in Spain as in Germany and Italy.

In both these countries State control is exercised over a highly-developed monopoly capitalist system in the interests of the particular groups which control the heavy industries. In Germany the policy of the Government is dictated by the dominant monopoly group (the

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iron, steel and coal—rearmaments—monopolists) to further their own ends. Now Spain is mainly an agricultural country, still feudal in many respects. Apart from some development in the Catalan and Basque countries, its industry is in the hands of private owners. The comparatively small monopolistic concerns existing are in the hands of foreign capital. There is mass unemployment due to war wreckage of machinery and factories and the lack of raw materials. The two main decrees that have been passed, out of necessity, conflict with totalitarian economies. These are :

(1) *Individual owners have been ordered to open their factories.* In some cases this was possible, but not on a sufficient scale materially to relieve the severe economic breakdown. This only applies to owners with Franco sympathies. In any case it can only lead to normal capitalist development.

(2) *Owners of industry and property of known or suppressed Republican sympathies have had their factories confiscated. Any shares in any undertaking owned by the same people have also been taken away.*

With every Government Department—national, provincial and local —is a German economic adviser. Whilst Italy has been content to give political advice through a special visit of its Foreign Secretary, Count Ciano, Germany has been keeping her eyes on the main chance. These economic advisers work with the Gestapo agents who are assisting to organise the Spanish Military Intelligence Service (S.I.M.), the dreaded agent of the terror in Spain. Thus the widespread practice is for SIM to make a charge ; confiscation follows and the German adviser buys up the concerns and shares, at his own valuation, for German financial interests. By this process Germany is actually undermining the economic basis for a Spanish totalitarian State.

The attitude of Germany to Spain is that of an imperialist power to a colony. She does not want Spain as an additional competitor in the world market. She demands and is getting raw materials, food, a field for profitable investment. Thus Franco will have in the future the problem of a people determined to resist the colonising efforts of Germany. Italy's rôle is mainly concerned with securing Spain as a base in its plans to dominate the Western Mediterranean. She is concerned with the reconstruction of the harbours and docks and the provision of military roads and air depots.

The position is also complicated—and differs from the position of Germany and Italy—by the existence of two important national monopolies within the Fascist régime. The great national movements of the Catalans and the Basques brought difficulties at times to securing full unity of the Republican Forces. It was only when the national policy of the Republic was made clear by the granting of an autonomy almost dangerous in wartime, that this unity was cemented. What unity can Franco hope for from decrees which presume the non-existence of the national movements and cancel out all the measures

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taken by the Republican Government for providing a free basis of future national development?

One of the first actions of General Franco, further, has been to reverse the agrarian legislation of the Republic. The Popular Front Government in October, 1936, had ordered the expropriation of the estates of the landowners who had sided with the insurgents, and their division among the peasantry, either collectively or individually. By a decree of June 3 of this year General Franco has restored the land to its "proper owners" and announced that it would be necessary to reorganise labour in the countryside. It may be assumed that some of the 270,000 soldiers, who have just been demobilised, will be used for this purpose.

There are signs of growing opposition on the part of the peasant community to the expropriation of their holdings and their incorporation in the large landed estates. The peasants are particularly angry at the confiscation of their spring crops. Many demonstrations against the new decrees have already taken place and Franco posters and proclamations have been torn down in a number of villages. In order to put an end to this subversive activity, an order has been published, by which the following are considered criminal offences, to be tried before a military tribunal: (1) Meetings of more than three persons without official permission—including gatherings at the close of church services; (2) The defacing or mutilation of Government posters and proclamations.

Extreme penalties are inflicted upon peasants who are found to belong to underground or illegal organisations. The fact that so much opposition has already shown itself and that such decrees should have to be introduced, makes it clear that the peasants are not prepared to surrender without a struggle the rights and benefits they acquired under the Republic, after centuries of semi-serfdom.

Nor will the working class cease its struggle. The armed miners in the Asturias, where constant guerrilla warfare is still being waged, supported by the peasantry, compel the maintenance of strong garrisons in every village. The working class of Spain learned many lessons from the experiences of the Fascist countries. Despite the treachery of Casado it was able to save its outstanding leaders from execution or the concentration camp. Authentic reports show that illegal activities are well organised. The organ of the Central Committee of the Communist Party appears regularly. Information sheets are having a mass circulation. The fight on immediate issues arising out of the terrible food shortage and unemployment is uniting all sections. Whilst the terror has struck hard at all Republicans, the workers have organised their defence associations which have defeated some of the attempts to repress the opposition movement. Unlike the Italian and German workers, the Spaniards were defeated with arms in their hands after two and a half years' practical experience of war against Fascist

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brutality which they will never forget. For the three months after the war the dominant note of the reports we received was that the working class was on the defensive. Now the reports tell of a return to forward-working activities and with the divisions in the ruling class the conditions should be much more favourable.

The new decrees issued on August 1 indicated that Franco was dropping a policy of compromise and was striving to carry out a Government reorganisation dictated by the Fascist Powers. Meantime, the French and British Cabinets continued to support the "moderate" opposition. The British Ambassador in Spain maintained close association with Count Jordana. The statement of General Aranda was boosted by the British Press. He was in Berlin on a special mission and declared that he had explicit instructions from Franco "to confine yourself to the commercial field and in political matters do not discuss anything which would impede our liberty of action in international matters." This declaration raised hope again. France gave the £8,000,000 Republican gold reserve, held by French banks, to Franco. It put pressure on the refugees to return to Spain. Wall Street took a hand by granting £2,500,000 credits for raw materials, mainly cotton, for the Catalan textile mills. Rumours of credits from Britain were current amongst Members of Parliament.

Later news, as suggested at the beginning of this article, has dashed these "hopes." But the contradictions within Spain are becoming more, not less, intense. The attempt to impose an Italo-German totalitarian régime can solve none of Spain's social problems. The accompanying cramping of Spanish capitalist development means that the cause of the democratic revolution, led by the working class, becomes more than ever the cause of the overwhelming majority of the Spanish people.

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French Revolutionaries & English Democrats

BY A. L. MORTON

IT WAS NOT, of course, by chance that Radicalism and the talk of Parliamentary reform was first heard in England in the years just before the French Revolution. The same chain of world events that led to that climax was producing in England the equally fateful series of changes that go by the name of the Industrial Revolution. By about 1760 the long equilibrium of the Eighteenth Century had been upset. Prices began to rise, the vast robbery of the peasants' land by the Enclosure Acts was in full swing, factories where large-scale capitalist production was carried on began to appear in some areas, trade and banking, enriched by the plunder of East and West Indies, throve enormously. And as a result the power and wealth of the bourgeoisie grew apace and they began to demand a share in that political power that was still concentrated in the hands of a few great and privileged families.

The first stirrings of this change were rude and popular. " Wilkes and Liberty " was the cry not only of the City Merchants but of the proletariat of Hoxton and Shadwell. In 1768 there were great riots and strikes at least as much political as economic. Even when the agitation centred around Wilkes died away in the stupid splendour of the Gordon Riots of 1780 the democratic movement was not destroyed. It became, indeed, more respectable and appeared to have a greater chance of success. The Duke of Richmond, a leading Whig landowner and a member of the ruling clique, began his demand for manhood suffrage. In 1782 a few of the more flagrant of the corruptions in which the English Parliamentary system was almost submerged were removed and Pitt himself put forward a motion for the setting up of a committee to make

> a report to the House (of Commons) of the best means of carrying into execution a moderate and substantial reform of the representation of the people.

Such a reform would naturally have been carried out in the interests of men whose substance was more conspicuous than their moderation, but in fact the committee was not set up and the man who was most influential in defeating the proposal was—Edmund Burke. It is often said that the French Revolution caused Burke to forget his earlier and more liberal principles; this is hardly correct. Burke was consistent in hating and fearing the victory of democracy abroad because he had always hated and opposed democracy at home.

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Eloquent as he was, Burke could hardly have prevented for long changes that were demanded by the whole movement of the social structure in England. In the years before 1789 all the signs pointed to a new compromise along the classic lines of 1688. The British ruling class, already plutocratic rather than aristocratic, would have admitted into its charmed circle those new elements whose wealth and position gave them an undeniable right to enter. And the way to any further extension of democracy would have become more difficult because it would have been in the interests only of the common people.

1789 ended the possibility of such a compromise, but this was not at once apparent to the reformers. At the outset, indeed, the Revolution was greeted with enthusiasm by English progressive opinion. Dr. Price, a preacher and writer with a European reputation, was speaking for quite a body of upper and middle class opinion when he declared in November before the Society for the Commemoration of the Revolution in Great Britain, a body founded in or soon after 1688 which had met annually ever since to celebrate the Whig Revolution with a dinner and a sermon:

> I have lived to see thirty millions of people indignant and resolute, spurning at slavery and demanding liberty with an irresistible voice, their king led in triumph and an arbitrary monarch surrendering himself to his subjects. And now methinks I see the ardour for liberty catching and spreading, a general amendment beginning in human affairs; the dominion of kings changed for the dominion of laws, and the dominion of priests giving way to the dominion of science.

The same enthusiasm found its way into the early ecstasies of Wordsworth and Coleridge, ecstasies soon diverted from practical politics into the Utopian dream of a Pantisocracy to be founded on the banks of the Susquehanna, a dream which, as Coleridge wrote long after with naïve and unconscious honesty, " was serviceable in securing myself and perhaps some others from paths of sedition . . . . travelling with the crowd of less imaginative malcontents through the dark lanes and foul by-ways of ordinary fanaticism." Wordsworth and Coleridge were only two of many malcontents, imaginative or respectable, who found the lane of revolution too dark and too dangerous as the reality of bitter class struggle displaced the dream of easily and immediately attainable millennium. As the revolution in France became more and more popular, with the Commune of Paris and the peasant revolt driving forward the middle classes, the peculiar relation of class forces in Britain led inevitably to a change in opinion that lined up almost the whole propertied class against it.

To English observers the Revolution appeared primarily as an attack on privilege, and in England privilege was as much bourgeois as aristocratic after the Revolution of the Seventeenth Century. Any attack on privilege, resolutely pushed home, must therefore be dangerous, since the bourgeoisie already enjoyed most of the gains won in the first stage of the French Revolution and did not want to see any share of

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political power pass into the hands of the masses.

The dictum of Lord Justice Braxfield, that

> the British Constitution is the best that ever was since the beginning of the world and it is not possible to make it better

became an article of faith accepted by Pitt and by all respectable people. While the bourgeoisie of most European countries welcomed the Revolution just because it was an attack on aristocratic privilege, the British bourgeoisie, with some honourable exceptions like Charles James Fox and his followers, hated and opposed it once its real character had made itself clear, and, after some initial hesitation, formed a solid counter-revolutionary bloc with the aristocracy. While the Revolution divided all European countries on class lines, the line of division was drawn at a different point, and much lower down the social scale, in Britain than in all other countries.

Nevertheless, in spite of the stir caused by the publication of Burke's *Reflections on the French Revolution*, it was some time before the British Government saw any reason for active intervention. For one thing, Britain was still recovering from the defeats inflicted by the American colonists. For another, hatred of the principles of the Revolution was tempered by a belief that France would be permanently weakened as a political and commercial rival. So while Brunswick marched on Paris, Pitt sat quietly at home, content to treat the war as a purely continental brawl in which Britain was not involved. It was not till the French armies burst into the Low Countries and the French Government proclaimed a universal revolutionary war of liberation that he entered the First Coalition of 1793. With the history of the war that followed this article has no concern : it is our more modest task to trace some of the repercussions of the Revolution upon internal events in Britain.

Some historians have found a startling transformation of Pitt from peace minister into war minister after 1793; those who have followed closely his persecution of reformers at home in the preceding years will be less surprised. The advocate of " moderate and substantial reform " revealed himself after the Revolution as the Prime Minister who supported the excesses of Braxfield and declared that judges would be " highly culpable " if they did not use their powers " for the present punishment of such daring delinquents and the suppression of doctrines so dangerous to the country." The doctrines in question being very little different from those which Pitt himself had professed a decade earlier. And when the leaders of the Corresponding Society were put on trial Pitt in person assisted in their examination and went far beyond the bounds of legality in the use of threats and lies to extort a confession.

The first result of the Revolution was a rapid growth of radicalism among the lower middle classes and artisans. All over the country clubs sprang up for the discussion and propagation of democracy and reform. In some cities almost every inn had its club; at Norwich, for

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example, there were more than thirty such clubs at one time. They were small, obscure, short-lived associations of ignorant men, many of them, and there was little or no attempt to connect them one with another on a national scale. But they were given a force and a kind of unity by the example of France and by the inspiration which they all drew from the writings of a common man of uncommon genius.

Tom Paine, who has earned in his own right as firm a place in French and American as in British history was the first great English democrat since John Lilburne. He believed that men were by nature equal and that the test of all government was the happiness of the people. If a government failed by that test it was no right government and ought to be overthrown, if necessary by revolution. And by this standard kings and aristocracies were unnecessary to human well-being and had therefore no place in a rational society. Paine and his followers were not socialists because they believed in the right of property, though they wanted that right to be exercised in such a way that the rights of others were not thereby curtailed. Further, they were mostly themselves poor men and the right of property was not a part of their theories that was greatly insisted upon.

The democratic clubs, of which the London Corresponding Society is the outstanding example, might draw their inspiration from Paine but rarely adopted his teachings as a programme. In the statement of their objects we find usually some such formula as: "An honest Parliament. An annual Parliament. A Parliament wherein each individual shall have his representative." But such a modest demand, given the temper that existed among the ruling class, was in itself regarded as seditious. Some of the leaders, like Godwin and Holcraft, might be philosophical anarchists with strong pacifist tendencies, believing that education was the only thing necessary for securing democracy. They hoped, too, that it would be possible to persuade all classes of the reasonableness of their views. The working class members, who constituted the overwhelming majority, had experienced the perfection of the British Constitution from below and had fewer illusions. Even Hardy, who was the very embodiment of caution and always discouraged the loose talk of violence that was one of the characteristic vices of the clubs, was a firm upholder of the belief that all citizens should possess arms and be trained in their use. It was not long before the reformers discovered that the only possible way of attaining their ends was through open conflict with the state. At this time, however, their strength was much less than that of their opponents and the movement was crushed before it reached proportions which gave it any hope of success.

The strength of the clubs lay in the lower middle classes, the artisans and the craftsmen of London and the older towns where traditions of association had long existed and where the ground was already to some extent prepared by the agitation of John Wilkes. They failed to

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reach the new proletariat of the northern factory towns, a class that was already terribly exploited but still raw and inexperienced, violent at times, but without the understanding that alone can make violence effective. The result was that when the reactionary terror was loosed the ruling class was able, in Birmingham, Manchester, Bolton and elsewhere to turn popular indignation against the reformers whose houses were wrecked and their persons attacked with the open support of the authorities. After the Birmingham house and laboratories of the great scientist, Priestley, had been destroyed, George III wrote to Dundas, a notoriously corrupt borough-monger, " I cannot but feel better pleased that Priestley is the sufferer." This was in 1791, and such organised mob violence soon silenced many of the middle-class reformers. The working class clubs stood the test better and continued to grow.

In Scotland, whose people were on the whole more educated and who had national grievances of their own, the movement grew even more rapidly than in England. The Society of the Friends of the People held a National Convention in Edinburgh in December, 1792, at which 160 delegates represented more than 80 affiliated societies. Next year their most outspoken leader, Thomas Muir, was arrested and sentenced to transportation for 14 years, after a trial unfair even beyond what was customary where class issues were at stake. A second and angrier Convention was followed by the arrest and transportation of more leaders, Skirving, Gerrald and Margarot. More arrests and one execution succeeded at last in driving the movement in Scotland underground.

In Ireland the effects of the Revolution were even greater, leading to the formation of the United Irishmen and the armed revolt of 1798, but these events had little direct connection with those in England and deserve separate treatment. It is enough to say that had a French army been able to effect a landing at Bantry Bay in December, 1796, the whole course of European history might well have been transformed.

The defeat of the reformers in Scotland did not at first affect the situation in England very greatly. The most powerful of the reform clubs, the London Corresponding Society, held a membership of about 3,000 throughout 1792, 1793 and 1794 and at certain times was probably considerably stronger. Its members paid 1d. a week and were organised in sections who sent delegates to a central committee. Firmly rooted among the skilled workers it was the first organisation in England that can reasonably be regarded as a working-class party. Its leaders were Horne Tooke, a rather raffish scholar who had a been friend of Wilkes, and Thomas Hardy, a quiet, solid, courageous and capable shoemaker.

Some indication of the extent of the movement's influence may be deduced from the fact that Paine's *Rights of Man* had sold 200,000 copies before it was banned in 1793 and even then continued to have a large illegal sale. A whole generation of thoughtful artisans treasured

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it and absorbed its teachings, even though its author had to escape to France to avoid arrest in 1792.

For a time Pitt took no further action, but in May, 1794, when the fever of war made the position of anyone holding " Jacobin " doctrines doubly difficult, the leaders of the Corresponding Society were arrested. They were placed in the Tower and a charge of treason was brought against them. It was a critical moment for British liberty. Up to this time treason had always been confined to open acts of rebellion; if it could be so extended as to include any peaceful attempt to make changes in the constitution the Government would have a terrible weapon that could be used so as to make any kind of opposition impossible. There is good reason to believe that if a verdict of guilty had been secured against the twelve leaders the Government had planned to begin hundreds of prosecutions all over the country. At this point a brilliantly reasoned letter, written by William Godwin (who was already famous for his *Enquiry Concerning Political Justice*) appeared in the *Morning Chronicle* with decisive effect. By exposing the real objects of the prosecution it produced a widespread alarm and even before the trial forced the Government on to the defensive. Although every effort was still made to secure convictions the London jury, trained by Wilkes to regard itself as the guardian of popular liberties, refused to be intimidated and returned a verdict of Not Guilty and the streets of London were beflagged and illuminated in honour of the victory.

Nevertheless the Society was doomed. Laws rushed through a corrupt, scared and subservient Parliament destroyed the rights of free meeting and of the press. *Habeas Corpus* was suspended and was to remain so for eight years. The Corresponding Society and all similar bodies were declared illegal and it became too dangerous for inn-keepers to allow their premises to be used as meeting places. As the war dragged on, bringing with it high prices and taxation and low wages, and as the growth of the factory system turned whole counties into places of torment, the anger of the masses increased. But it was deprived of all lawful means of expression. Even the very limited freedom to form Trade Unions that had before existed was taken away by the Combination Acts of 1799 and 1800.

Pitt could repress, he could arm and horse the middle class yeomanry and send them riding and slashing over the shires, but he could not destroy class hatred or remove its causes. What he could destroy was the legal expression of the demand for constitutional change. That vanished and after 1794 the struggle took new and graver forms. Machine wrecking, blazing corn stacks, wild strikes, a state of virtual civil war in the industrial north became the order of the day. In this time the men who had formed the Church and King mobs that attacked reformers in 1791 became the Luddites of 1812. The new proletariat moved into action and learned to know its enemies. And if it took up

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the demand for parliamentary reform it made it a revolutionary demand, based on the belief that only by securing political power could it put itself on equal terms with its rulers and tormenters.

So that when, after Waterloo, the demand was again openly raised it was a different demand, backed by forces vastly more powerful than those of twenty years before. Nor was it only the working class that had changed. Pitt had been able to unite the whole propertied class behind his crusade against "Jacobinism" but the alliance had been unequal. The landowners, with the financiers and the great London merchants who were always entering the ranks of and becoming assimilated to the landowners, kept the political power in their own hands and the new and increasingly wealthy class of industrialists had to take second place. Now the bogey was laid and the alliance dissolved; the Whig Party took up again the demand for reform that had for so long been allowed to drop out of sight.

But reform could only be won with the support of the masses and to the masses the industrialists had, most unwillingly, to go, thereby releasing forces that they were quite unable to control. Cobbett and Hunt took up the work of Paine and a long, three-cornered war began. Widespread riots, the march of the Blanketeers, the Peterloo Massacre, the renewed suspension of *Habeas Corpus*, temporary defeat, the battle for the repeal of the Combination Acts and the Reform Act of 1832, when the bourgeoisie, having allowed the masses to do all the fighting, quietly pocketed all the spoils of their victory, filled the history of the decades after Waterloo and continued the education of the workers that the French Revolution had begun. By bitter experience they learnt to hate and distrust equally Tory and Whig, landlord and factory boss. How well that lesson had been learnt the Chartists were to show.

It is most fitting that while the French people are celebrating the 150th anniversary of their glorious Revolution we in Britain are celebrating the centenary of Chartism. For the Chartists, as I have tried to show, are the sons of the Revolution. 1789 set in motion the train of events of which the conscious struggle of the working people for political power was the logical and inevitable outcome. The followers of Marat would have understood perfectly the followers of O'Connor and Henry Vincent and both would find themselves most at home among the Communists and anti-Fascists of our own day.

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Australian Scene, 1939

BY GORDON CRANE

JUST TEN YEARS after the full effects of the last capitalist crisis made themselves felt in this country in July, 1929, Australia is again moving into the trough of a fresh depression. The symptoms are similar to those discernible in the period of the last depression—with certain vital differences corresponding to the new economic position which has developed since 1929 ; the present trend is also influenced by the external political situation and the record peace-time armament programme at present being launched.

Prior to 1929 Australian industry and employment had maintained a relatively stable level—despite the growth of the crisis in Britain and other parts of Europe in 1922—by the ability of its governments to maintain a steady stream of loan money from London at the rate of approximately £25 million a year. Externally these repeated annual loans had more or less balanced the annual interest bill in London as it mounted to the £28 million mark, while internally the effect was felt in the maintenance of public works which absorbed those that would otherwise have been unemployed.

This happy position ended in the first half of 1929 when, simultaneously with a drop in the world prices of wool and wheat, all London loans were suddenly cut off as the result of a discreet suggestion of the British Economic Mission (known as the " Big Four ") that Australia had

> pledged to too great an extent those future resources and mortgaged too deeply that future prosperity upon which she can reasonably reckon. —(Report published January, 1929.)

There followed the visit of Sir Otto Niemeyer, the introduction of the " Premier's Plan," with 20 per cent. cuts in government expenditure, wages, etc., and official unemployment figures rising to almost 30 per cent. Following three years of drastic deflation there was inaugurated in 1932 a cautious policy of reflation with the Loan Council (or Premier's Conference, representing State and Federal Governments), accepting such loans for " recovery " purposes as the Commonwealth Bank (more or less dominated by the policy of the private banks) was prepared to float. Upon this basis the Australian economy is no longer dependent upon overseas loans as it was in the previous " pre-depression " period, although it is still required to find an annual sum of approximately £28 million (Australian) to meet interest on the existing overseas debt. With the trade balance during each of the two last years dropping to only £14 to £15 million in favour of Australia, and prices of wool and wheat still moving down, the bank balances

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in London are threatened with depletion. At the same time the Australian capitalists and banking and insurance institutions have shown a decreasing willingness to invest in internal loans. Two loans this year were only saved from an inglorious "flop" by the Commonwealth Bank, as underwriters, coming to the rescue and making up the deficiency. At the same time, despite the launching of a three years defence programme, involving the expenditure of £73 million by June, 1941, unemployment continues to increase, even in the metal trades and other industries that might be expected to respond to this expenditure. The prospects are that as this programme gets under way—£30 million is to be spent this year as compared with £16 million for 1938-39—the immediate position will improve, with ultimate effects as indicated by John Knight in his articles on "Armaments and Industry" in the May and June LABOUR MONTHLY. In the meantime, however, Commonwealth taxation is to be increased to help carry armament burdens, while the various States have expressed extreme dissatisfaction at the enforced curtailment of their loan programmes and are facing the alternatives of closing down unemployment relief works, increasing the wages taxes (and using more of this to provide relief) or of increasing general taxation. Moreover, the resistance of the electors to a scheme of compulsory national insurance (designed rather to relieve the Commonwealth of pension costs by making the workers' finance their own pensions than to any desire to improve the workers' lot) and the death of Mr. J. A. Lyons (Prime Minister since 1931) have cumulatively produced a split between the United Australia Party (Nationalist) and the Country Party (controlled by big land and finance interests, but seeking the small farmers' vote).

These various developments and a growth of general mass dissatisfaction with all the governments (not excluding the Queensland Labour Government) for their failure to provide the masses with a greater share of the prosperity of which politicians and Press have boasted since 1937, have produced a position of considerable political instability in various parts of Australia. The "National" Government in the Commonwealth, maintained by a coalition of U.A.P. and Country Party—led by the renegade Labourite, Lyons, since 1931—has suffered two electoral defeats in by-elections, including a defeat in the late Prime Minister's own seat, and is now threatened with internal disruption.

In New South Wales the rising force of a progressive element in the Labour Party—supported by the bulk of the trade unions in revolt against the dictatorship and defeatist tactics of J. T. Lang, who with a small coterie of personal followers, still resists the efforts of the Federal Labour Party executive to achieve unity through an "all-in" rank and file conference—has shown itself in the winning of two by-elections in the State House.

One effect of this has been to stampede rank and file Government

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(U.A.P.—Country Party) supporters, including the Minister for Works, into a rebellion against proposals to curtail unemployment relief works. This particular episode produced a ministerial resignation, with challenges of "budget-faking" against the Premier-Treasurer, the results of which have not yet been worked out.

In Queensland the Labour Government has maintained its second period of continuous occupation of the Treasury benches since 1932, but its lack of response to trade union and rank and file demands is steadily weakening its position. In the last elections there arose a pernicious " Protestant-Labour " Party, which combines exploitation of religious bias (allegations of Catholic domination of the Labour Party) with a demagogic appeal to disgruntled Labourites. This party won one seat in the Queensland Parliament in 1938, has since returned two aldermen to the Greater Brisbane Council, and is spreading its organisation throughout the State. In the meantime Labour candidates' majorities have been reduced in various by-elections, and one seat, that had been held (almost unopposed) by Labour's late Speaker of the House for 25 years until his death a few months ago, returned a progressive " Independent " non-Labour candidate, who had no obvious connection with the vested interests which support the Opposition.

In Victoria Labour supports a Country Party Government. In this State the Country Party is controlled by the smaller farmers and is free from the connections of the Federal Country Party and its branches in other States. It pursues a moderately progressive policy but is not sufficiently responsive to the immediate demands of the masses. Its existence, however, reveals a tendency that is growing in strength in other States, which may form a basis for closer farmer-Labour relations than have hitherto been achieved in most other parts of Australia.

In Tasmania an extremely reactionary Labour Government manages to maintain the confidence of a part of the Commonwealth which must be regarded as politically backward in relation to the rest of Australia ; it retains this confidence more by the evil record of its predecessor than by any appreciation of its own good works.

In South Australia, while the Labour Party had not yet recovered from the set-back involved in its leaders, at the head of the Government in 1929, having anticipated the wage-cutting devices of the Premier's Plan, and their subsequent expulsion, the dissatisfaction of the bulk of the electors with the local version of " Nationalism " led to the return of a number of " Independents," with the balance of power, at the last election. The failure of Labour to exploit the position and the lack of cohesion of the " Independents " among themselves resulted in the restoration of a modification of the old " Nationalist " Government with " Independent " support.

In Western Australia a Labour Government has just secured a further term of office.

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Everywhere there is evidence of the growing influence of the Communist Party—both within the unions and in the broader political sphere—but, with the exception of two significant successes in the municipal elections in North Queensland this year, this influence has not proved sufficient to secure the return of a Communist Member of Parliament.

In all elections the Communist Party campaigns for the return of a progressive Labour Government and its influence has assisted in the return of Labour Governments in Queensland and Western Australia. In these campaigns it has raised its programme of immediate demands and the broad policy of a People's Front programme.

While the rank and file of the Labour Party accept the Communists as allies in the workers' fight, the official leadership of the Labour Party continues to reject this alliance. Actually this policy of the Labour Party, together with its failure to accept the Australian union movement's adoption of collective security, was a major cause of Labour's failure to win the last Federal elections against an exceedingly unpopular Government in 1937.

To-day, except in New South Wales, the official Labour leadership still maintains a defeatist, isolationist rôle—with regard both to external and internal policies. Despite the fact that it is the largest single party in the Federal Parliament, it has failed to exploit the evidence of division in the ranks of the Government parties, and is obviously unwilling to force an election.

The position of the parties in the Federal Parliament is :

	House of Representatives	Senate	Total
Labour	31	16	47
United Australia Party ..	26	17	43
Country Party	16	3	19
Independent	1	—	1

Senators hold office for six years, half their number going to the polls each three years. Labour won 13 out of 18 Senate seats at the last election and would only require to win six at the next elections due in 1940 to secure a majority ; but, as a defeat in the House of Representatives would not necessarily involve a double dissolution—and a Senate election—the Labour Party prefers to await the natural course of events rather than to throw the Government out by a defeat on the floor of the lower House. Labour also recognises that, with the Government working up to a condition of national emergency on the basis of the imminence of war, its prospects of success might be very remote ; but it refuses to correct this weakness by the adoption of a positive policy with regard to defence and the international situation, as laid down by the last conference of the Australian Council of Trade Unions early this year.

Labour vigorously opposed the conscription implications in the compulsory National Registration Bill on the floor of the House but,

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when this Bill, together with the Supply and Development Bill, and the Defence Act Amendment Bill—the three together designed to give the Government extensive powers to regiment man-power and industry—was made law, the political Labour Party opposed the boycott proposal enthusiastically adopted by the A.C.T.U., the Labour Councils of five States, and the bulk of the large trade unions. Actually, the Labour Party leaders feared to precipitate an election and manœuvred accordingly. Despite this, however, the A.C.T.U. achieved a higher measure of prestige as the central trade union organisation than it had ever attained on any similar major issue, and the boycott—with sectional one-day strikes and mass burning of register cards—was maintained with considerable effect almost until the original period fixed for taking the register had expired. Menzies, the Prime Minister, no more desired an election than did the Labour leaders at the moment, and after a brave show of defiance, met the representative Trade Union body with a series of unqualified guarantees—that the Government did not intend these measures to be used to introduce industrial conscription or extend military conscription—which were accepted as satisfactory. Menzies also agreed to extend the period for taking the Register for a fortnight.

The success achieved was an indication that the whole position could have been consolidated had the Labour Party been prepared to show a united front with the industrial movement. The position of the Government is extremely weak and a bolder Labour leadership, prepared to unite all working-class elements and exploit the growing opposition to the Government's ineptitude in the country could place itself in a winning position at any moment it chose.

Within the next few weeks the outcome of the forthcoming Unity Conference of the Labour Party in New South Wales is likely to have a considerable influence upon future developments. The achievement of unity in this State and the incorporation of the progressive elements which won the recent by-elections in the official Labour Party is likely to produce a revivifying effect in other States and considerably hasten Labour's advance to victory on behalf of the people of Australia.

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New Dangers in the Field of Unemployment

BY WAL HANNINGTON

FOR SEVERAL MONTHS the figures of the registered unemployed have been falling heavily, due mainly to the armaments boom, conscription, and the opening of seasonal occupations. This, coupled with the acute international situation, leads to a loss of interest amongst the people in general in the problem of unemployment (although there are still 1,400,000 registered and tens of thousands unregistered), and thereby provides the Government with new opportunities for attacks upon the unemployed which are extremely dangerous to the whole working-class.

In the House of Commons on June 5, Mr. Brown, the Minister of Labour, in announcing a new drop in the figures saw fit to slander the unemployed by suggesting that many of those who remained unemployed are not availing themselves of the opportunity of work. "There is still the need," he said, "to face the fact that one great problem in connection with the younger unemployed is the lack of inclination on the part of many of them to move away from their own home areas."

You will notice that he uses the terms "great problem" and "many of them." This was undoubtedly a deliberate attempt to use the drop in the number of registered unemployed to create the impression that there is plenty of work available in certain towns if the unemployed of the depressed areas will uproot themselves and migrate to those towns. We are entitled to ask, where are those towns where jobs exist with no men locally to fill them ? I challenge Mr. Brown to name one example. Even in prosperous London there are a quarter of a million unemployed.

Mr. Brown's statement was not an unconsidered outburst. It is part of a carefully conceived plan on the part of this government to alienate public feeling against the unemployed so that new attacks upon their standards and liberties can be carried through. Similar statements have recently been made by other Ministers of the Government, including the Prime Minister when he addressed a meeting in Blackburn in February.

Sir C. Granville Gibson, M.P., in his presidential address to the Association of British Chambers of Commerce on April 29, said :

> The Government and Labour leaders should investigate—and find a remedy for—those sections of the unemployed who remain out of work at their own wish. Gainful work is awaiting a large number, and

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sad though it is to say it, some of these people are voluntarily without work. There is a shortage of labour to fill the demand in agriculture, horticulture, and private out-of-door service in the country. . . . I consider it the duty of the Government to take some steps to make it a condition of the continuation of the payment of unemployment pay to able-bodied and physically fit workpeople who have exhausted their contributory unemployment benefit, that they should undertake some kind of National Service.

Sir Ronald C. Davison, speaking in a debate on the wireless, under the title of " Young Men on the Dole," used such phrases as follows :

> Are there not several thousands of young men who seem to have settled down all too readily to a life without work ? . . . . I am quite sure that the present easy-going conditions of the dole have much to answer for . . . . The temptation to get money for nothing is too great and they fall into the habit of living without work, then, when they are offered—as nearly all have been—a course of training or reconditioning in a Ministry of Labour Training Centre they refuse. . . . Why, then, should we shrink from the duty of stiffening up the conditions of relief ? . . . . I am sure that we shall have to face this problem of young men on the dole—men between 18 and 35 who need some stimulus to get back to wage earning and independence. We shall have to put more discipline into our dole systems. . . . In the old days he was sent to the workhouse; to-day I think he should be sent to a residential Work Centre. . . . Democracy must have some protection from the wastrel type and the only weapon known to be effective is the threat of the institution.

The Annual Report of the Unemployment Assistance Board was issued in May, and herein we find Lord Rushcliffe on the same line of argument. He writes :

> Experience shows that many men refuse to consider offers of training because they no longer have any inclination to take steps for their own betterment. The question of making allowances in such cases conditional on the acceptance of some form of training, whether at the Ministry of Labour Centres or elsewhere, inevitably arises, and it is one to which, in the Board's view, serious consideration should be given in the interest both of the men themselves and of the community.

Now, these men, better than anyone else, know that this question of people avoiding work has been the subject of Government Commissions and Committees a number of times in the past, and they have always had to confess that the number of such cases is infinitesimal compared with the total army of unemployed.

But there is a reason for this sudden similarity of abuse of the unemployed by these responsible public men. I believe that explanation to be the following : that the Government now intends to introduce compulsory Labour Service for the Unemployed in return for their bare means of existence. It refuses to undertake schemes for restoring the unemployed to normal employment with wages, either on socially necessary public work schemes or on civil defence such as deep bomb-proof shelters. Instead, it aims at developing the Ministry of Labour Instructional Centres, which are in fact Labour Camps where the unemployed live in compounds and perform heavy manual labour such as road-making, afforestation, quarrying, and even the construction

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of bridges, for their food plus four shillings pocket money. There are eighteen such camps already in existence.

In St. Pancras, a special task work centre has been opened by the U.A.B., and men who are trade unionists and have long industrial records are now being classified as "workshies" and sent to this centre where they do a week's work in return for their U.A.B. allowance.

The *Times*, which flies the kites for the National Government, has already advocated in its leading articles compulsory labour camps on the German Nazi model, where the unemployed not only work without wages, but undergo intensive physical training of a military character. Before such a plan could be carried through, the public mind must be prepared for it, and that is the meaning of the attacks which are quoted above.

I firmly believe that the very successful campaign on the issue of winter relief conducted during the winter months by the N.U.W.M. compelled a change in the tactics of the Government. Their original plan for introducing conscription was closely allied to the compulsory labour camp idea, but the widespread sympathy aroused by the winter campaign of the National Unemployed Workers' Movement was such that the Government had to realise that if they had made such a move at that time it would have been extremely unpopular and would have been looked upon as a blow below the belt at the poorest section of the community.

The Government then had to fall back on its second line in regard to conscription—the calling up of all young men of a certain age group—20 to 21. It is not difficult to visualise that following the entry of these men into the forces there will be a Government-inspired campaign to play one section of the people off against the other in order to carry through compulsory labour camps and conscription for unemployed of perhaps 21 to 30, or a higher age.

It will be suggested that it is grossly unfair for young men aged 20 and 21 to be pulled out of their industry or profession and put into the army just when they are embarking on manhood and possibly a successful career, whilst hundreds of thousands of able-bodied unemployed who are of military age are allowed to continue to draw the "dole."

This line of propaganda has in fact already started. In the *Daily Express*, June 20, the following editorial appeared under the heading of "Opinion."

Train the Unemployed

There is one section of the community, in addition to the lads of twenty, which should be conscripted for six months' service. The unemployed. All of them, up to the age of thirty-five, should be called up for military training.

This measure would be in their own interests. It would make new men of them, as well as making additional soldiers for the State.

They would be happier and healthier if they marched on the parade

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grounds instead of walking the streets. And they would have the pride of serving their country.

The task of the National Unemployed Workers' Movement is vitally important in this period to expose the moves of the Government and to organise resistance of the unemployed. Every effort must be made to strengthen and extend the N.U.W.M. and to bring it into the closest possible co-operation with the general labour and trade union movement.

We must remember that compulsory labour camps and task work centres means a big step nearer by the National Government to fascist administration in Britain. It is the prelude to industrial conscription and an attack upon the standards and liberties of the people which have had to be won in the past by years of struggle on the part of the Labour Movement.

We are indeed living in critical times. Whilst it is most essential to study and understand the complications of the international crisis, let us not, at the same time, overlook the evils which threaten us on our own door-step through the home policy of this National Government.

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Women in Nazi Germany

BY IRENE GAERTNER

[*The following is the abridged translation of an article published in "Die Internationale," Nos. 3 and 4, 1939.*]

THE ORGANISERS OF fascist war take into their reckoning every woman as they do every soldier. A specialist in the mobilisation of women, Kapitänleutnant Sonnemann, writes in the *Deutsche Volkswirt* (January 20, 1939):

> In spite of physical disadvantages which would make a man incapable of military service, women are in a position to carry out numerous functions in the armament industry without the slightest difficulty.

He includes all women between the ages of 16 and 60 as "work reserves," and comes to the conclusion that 6¾ million "reserves" can be added to the women already working. The Nazis give the number of women working as 12 million, so that approximately 19 million women should be occupied in the war industry, agriculture, etc.

In order to speed up their plans the Nazis have instituted a new measure, the so-called "half-day work" for women, especially in the factories. This will not only partly overcome the acute labour shortage caused by the preparations for war, but will be a transitory measure towards the full employment of these millions of women in the war industry.

With the decree which came into force on January 1, 1939, extending and tightening up the "compulsory year" for girls, 400,000 girls will be forced from 1939 onwards to do one or two years' service in agriculture and household work, as well as in the First Aid and Nursing branches of the auxiliary forces. Of the 14-15 million people who are included in the Reich A.R.P. Association, and who have to provide the so-called self protection forces, 70 per cent. are women. These are the direct police measures which are forcing women into war service.

During the "fighting period" and during 1933 and 1934, the Nazis declared as the racial ideal "the return of women from the professions which wear them down to home and family." They promised the women that they would fulfil all their wishes. The men would be put into a position to support their families. This Nazi ideal was completely sacrificed—as indeed were the other demands in the programme of the Nazi Party. Because Hitler wants war, 19 million German women are to be pressed into forced labour.

The true interests of women demand that they should be free to

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choose whether they carry on a profession or not. Fascism is the greatest enemy of the interests of women. Under Fascism not only are women forced against their will to bring more children into the world than their health and circumstances allow, but girls, women and mothers are forced to do the most unhealthy and heavy work in the poison chambers of the armament industry. Through the mass removal of the men and the forced labour of the women, family life is destroyed. Under Fascism, equality and independence for women are denied; in marriage, in the education of the children, even in the kitchen they are no longer allowed to do as they please. In every sphere under Fascism, there is force, lack of freedom and degradation for women. What for ? Everything is in the interests of the " brown " bosses and armament profiteers; everything for war.

Hitler's war economy is felt very sharply in the homes of working women and the lives of the housewives become more difficult and more embittered. With the slogan " Fight waste," the Nazis try to divert women from the real causes of their difficulty in providing for their families and to train them to practise the utmost frugality. Since Hitler and Rearmament food has become scarce. The German women can keep house as economically as possible, but that will be of no avail if raw material for war purposes is imported instead of food and if German soil is transformed into aerodromes and training grounds for troops. The women are saying : " It will be the same as in the last war, when everything became more and more scarce, until in the end we had to go really hungry." The Nazis criticise the women and say that they do not know how to keep house. Workers' wives have never been in the position to be extravagant, and the German housewife is one of the most efficient and economical in the world. The nosey parkers should look in the kitchens of the rich, where they will find the things the others lack. Many members of the various Nazi organisations for women are becoming tired of this interference in their homes. One woman has described how she was able to start a conversation with one of them :

> When one of them came to see me lately I opened my larder and showed her the empty shelves. " Yes," she declared, " we simple people don't have much that will spoil through keeping. I cannot understand why so much has to go into storage and to the tinned goods factories, as war did not come." That, of course, gave me a splendid opportunity and we had a long discussion about the war. She expressed her view that we women must do everything to prevent war.

The women will no longer co-operate in the collection of waste bits and remainders. And they are quite right. It is not the collection of remainders that will give them sufficient provisions, but increased importing and growing of food instead of war economy.

Women are being employed everywhere in the armament factories They are being taught men's work, especially on the lathe. Women are being engaged at Krupp's factory as cleaners and packers on light,

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non-machine work, and then they are told that they have to learn how to handle the machines. The Annual Report of Siemens Halske A.G. (*Fraukfurter Zeitung*, February 10, 1939) contains the following remarks :

> We have been successful in having valuable apparatus for telegraph, wireless and measuring instruments assembled entirely by women. . . . One of the largest works for highly qualified work in radio technique, previously employed 35 per cent. skilled men. To-day it has 20 per cent. skilled men, 10 per cent. special workers, 12 per cent. semi-skilled and 58 per cent. women.

Even in mining, where previously the employment of women was forbidden by law, women are now used for the heaviest tasks. From all large towns reports are received that women and girls are being trained as tram conductors, bus drivers and postwomen.

But the fascist armament profiteers made a mistake if they thought they could find in women cheap and willing workers. The women are tenaciously defending their wages. Here is an example from a large Berlin metal works where many women and young girls are employed. The wages are from 48 to 68 Pfennigs an hour. In the die stamping department are the vast majority of girls who earn 68 Pfennigs an hour, piecework. Continuous efforts are being made to bring down the norm. For the time setting of a new process the most skilful girl is always taken. The time taken for adjusting the machine with tools is not counted, but if 1,000 have to be made, then it goes easier after the first 500. The girls in the die stamping department carried on a long struggle against the lowering of wages. Every one of them has frequent arguments with the foreman and the rate fixer. Several have threatened to take their cards. And in the whole department the speed has been slowed down. The girls are united, as they realise that the quicker they work the more wages will be lowered.

As women very often have to take the place of men and they have to produce the same, or practically the same output, the demand of " Equal wages for equal work " comes more and more into the foreground. Nazi papers have been repeatedly forced to take up this question by coming out against " unsocial owners who let women do men's work at lower wages." This gives women the opportunity to go to the foreman or the manager with these articles and say : " If we have to do the same work as the men, then we must have the same wages "

The resistance to the lowering of wages is mostly conducted through the fight against the enormous speed-up and the new decree regulating the hours of work. The ten-hour day is now the general working day for women also. As a special favour pregnant women only have to work an eight-hour day. In all civilised states the eight-hour day is the normal working day for healthy, non-pregnant women. In the Soviet Union women have on the average a 35-hour week, with special privileges for pregnant women. The long working day in Hitler Germany hits

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the women doubly hard. When the factories close, their work is not finished. At home the tiring burden of the housework awaits them. The health of the women gets worse from day to day.

The women might remind the Nazis about their " high tasks as mothers." Have not the Nazis always pointed out that women and future mothers do not belong to the crushing work in the factories ? Have they not always preached to the women that they are the most priceless property of the German people and must be specially protected ? The Nazis once declared that for " women to work is a sign of democracy." But the women remember that before the Nazis at least they could make some decisions for themselves, and no woman was forced to go out to work if she did not want to.

The latest innovation is the " social worker in the factory." She is to be the best help to managers in their " struggle for the creation of the most highly efficient national socialist working community." She is, in fact, to be the slave driver. In order to make the idea palatable to the women, the *Arbeitertum* of January 15, 1939, calls her " the mother of the factory to whom all the women workers should go with their little daily troubles." The daily troubles of the women are the low wages, the need to get home in time instead of working themselves to exhaustion in the factory. The women can go to her with individual and collective demands in order to make her an ally against the employer or to put her under pressure.

The burdens of Hitler's war policy weigh heavily, too, on the wives of the artisans and small business men. The women of this stratum put the greatest hopes in Hitler and are the most bitterly disappointed. One small shopkeeper expressed this disappointment as follows: " Instead of the promised blossoming we are all fading. If it goes on like this we shall all have to close our shops." The women, like the men, suffer from the constant worry that because of the shortage of raw materials and of food, high prices, high rents and the many decrees, they may have to lose their hardly earned business.

Through a carefully worked-out " price supervising system," the Nazis try to make the small man appear as the guilty one. But working class women realise that the small shopkeeper suffers as they do under the war economy. They see themselves that the milkman or the woman selling soap round the corner have had to close their shops. Every day they meet and the women speak openly about their troubles.

The real sphere of the peasant woman has always been, not so much the kitchen, but the sale of milk and eggs, the poultry and even the raising of pigs. But she is no more mistress here now than the town woman is in her kitchen. A peasant who spoke openly to a girl from the " Land Help " said: " To-day there is no war, but the control and the forced deliveries are worse than they were during the world war. Then I could sell a few eggs, or sometimes a bit of butter. But to-day they take everything away, and they even keep back part of the money

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for taxes and other deductions. They even deduct for Winter Help. This cannot end well."

The last drop of milk and the last egg is taken away from the peasant. Woe to her who does not enter everything on the farm card. It creates endless difficulties and heavy fines.

The difficulties of the peasant women are increased by the fact that a large part of the male population is being taken off the land and the women themselves are having to work in the fields far more than ever before. And it was the women who during the September days, when the horses and carts of the peasants were being requisitioned, offered the most resistance.

In this way, as a result of their practical experience, the women of the various strata, whatever their party or political tendency was before, and whether catholic or protestant, are becoming more and more conscious of their political and economic enslavement and of their exploitation by fascism.

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The New Situation in China

2 The Anti-Japanese United Front

BY MAO TSE-TUNG

[*The following article is the second part of the abridged report to the Sixth Enlarged Plenum of the Communist Party of China, held on October* 12, 1938. *The first part appeared in the July number of the* LABOUR MONTHLY, *and the conclusion will be published next month.*]

II.

WHEN THE WAR of resistance reaches a new stage, so does the National Anti-Japanese United Front.

The long term nature of the war of resistance and of the National Anti-Japanese United Front is indivisible.

The Kuomintang

The National Anti-Japanese United Front is based upon the Kuomintang and the Communist Party. The former is the greater of the two parties. Without the Kuomintang no one can think of mobilising for and maintaining the war of resistance. In its glorious history the Kuomintang has overthrown the Ching dynasty, established the Republic of China, struggled against Yuan Shih-kai, formed a United Front with the Communist Party, introduced new agricultural and labour policies, and above all instigated the Great Revolution of 1927. To-day the Kuomintang is leading the great war of resistance against Japan. It carries the historical tradition of the " Three People's Principles." Finally it is a party of a large number of faithful patriots under the leadership formerly of Dr. Sun Yat-sen and now of Generalissimo Chiang Kai-shek. All this came as a result of China's historical development.

In the war of resistance and the organisation of the National Anti-Japanese United Front the Kuomintang occupies the position of leader. During the past fifteen months all the anti-Japanese parties have marched a long way forward. The Kuomintang has made outstanding progress. It called the special National Convention of its delegates, drew up the Programme of Armed Resistance and National Reconstruction, summoned the People's Political Council, began the organisation of the *San Min Chu I* (Three Peoples' Principles) Youth League, recognised the legal existence of all the other

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political parties, thereby establishing the anti-Japanese unity, established a certain measure of democratic rights, introduced many political and military reforms and altered its diplomatic policy to satisfy the demands of the war situation, etc. These are all needs of historic significance. Under the conditions of determined resistance against the enemy without and firm unity within it can be foretold that the future of the Kuomintang will be full of brilliant accomplishments.

Our losses thus far tell us that the progress of the nation has not been rapid enough and not extensive enough. Because of these losses we must struggle for further progress in our government, in the army, in the cultural institutions and in various people's anti-Japanese movements, in order to recover our losses. This is why not only the Kuomintang but all the parties and organisations must strive toward a common objective, namely, further progress. For the Kuomintang, the most important link in the chain of progress is the democratisation of its organisational form, making the party itself the people's alliance for resistance against the enemy and for national reconstruction. Judging from the present tendency of the war, if the Kuomintang does not open its doors and admit all the other patriotic parties and individuals, therby forming a huge united body, the tremendous task of resistance until our final victory over the enemy will be too great a burden on the shoulders of the party. In half a century of its history the Kuomintang transformed itself into a people's alliance during every great revolutionary struggle. There have been two most outstanding and historically significant occasions of this nature. From the days of the Tungminhui to the Revolution of 1911, to overthrow the Ching Dynasty and to establish the Republic of China, Dr. Sun Yat-sen formed an alliance with all the anti-Manchu revolutionary parties and secret societies. At that time the entire party membership performed many heroic deeds to bring about the downfall of the Manchus. Again, from 1924 to 1927, for the purpose of fighting against the northern militarists and foreign imperialism, the Kuomintang united with the Communist Party of China within and the Soviet Union without and introduced Sun Yat-sen's " Three Great Policies." The party also established the Whampoa Military Academy and organised its own army. The northern expedition was victorious. Here was manifest not only the development of the United Front but also the development of the Three People's Principles. To-day for the third time in its history, the Kuomintang has the opportunity to transform itself into a revolutionary people's alliance. This great movement has already been inaugurated by the recognition of the legality of the Communist Party and other parties, the incorporation of the Eight Route Army into the People's Revolutionary Army, the Anti-Japanese Declaration.

Is the Communist Party in agreement with this movement ? We are

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always ready to support the Kuomintang in developing itself into a people's revolutionary alliance. We supported the Kuomintang reorganisation in 1923. To-day, while China is going through a grave crisis, we shall support such a movement with all our power. Our support is based on the fact that the more friendly armies we can gather together, the better chance we will have to defeat Japan. Mere development and progress in the Communist Party will not be sufficient to drive back Japanese imperialism. The Communist Party occupies a second place in the political field. For the sake of victory over the enemy, it has started and is maintaining a policy of united front of all parties, armies and other groups. It has opened its doors to all revolutionary patriots. But if the Kuomintang, occupying the first political position, should keep its old attitude, it would have very disastrous effects upon the war of resistance and upon the United Front. We would fail to win the war and the entire nation would be placed in grave danger. In that case the Communist Party, the workers and the peasants would be endangered as well. The Communist Party sincerely hopes for and eagerly supports the Kuomintang in extending and strengthening its own organisation, in democratising and developing itself into a people's revolutionary alliance.

Generalissimo Chiang Kai-shek and the majority of the party membership are taking the lead in urging the party toward this direction. But everyone knows that there are reactionary and non-progressive elements in the Kuomintang. They obstruct the party's progress. These elements together with the other reactionaries in our society form a counter current against the great tide of the national revolutionary war. They resist progress and vigorously prevent the democratisation of the country. They disturb seriously the carrying on of the necessary work in our war of resistance. They prevent the carrying out of the plans and directives which Generalissimo Chiang Kai-shek advocated in his writings, interviews and speeches. They work against the Kuomintang's Programme of Armed Resistance and National Reconstruction. They disobey the laws and commands of the Central Government. They disrupt the people's patriotic movements. These are facts. These are the very reasons why the progress of the Kuomintang has not been rapid and widespread and why we have suffered so many losses in the war. They are against the party's progress and development to the point of advocating peace with dishonour. If these reactionaries were allowed to improve their political position, there would be great reverses in the work of emancipating the nation. This matter is worth the closest attention. But we firmly believe that these reactionaries cannot permanently remain in the government. They are not well supported and cannot get further support, because they form only a small counter current, not the main one. Under the able leadership of Generalissimo Chiang Kai-shek and with the help of the masses of the people, the majority of the Kuomintang membership is able to get

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the better of these reactionaries.

All the other parties and organisations taking part in the National Anti-Japanese United front, under the conditions of stubborn resistance against the enemy and strengthening of our own untiy, also have a brilliant future in their own growth and development. The Communist Party is willing to support them in every possible way and to form a long-term united front with them.

Important Tasks Facing the Nation

Judging by the results of the war of resistance up to now and the estimated development of the war and the growth of the National Anti-Japanese United Front, what are the important tasks facing the nation ?

1. Raise the people's self-respect and self-confidence, maintain the war of resistance to the end, overcome pessimistic sentiments, and fight against any aspiration toward a disgraceful peace.
2. Support Generalissimo Chiang Kai-shek, support the National Government, support the United Front between the Kuomintang and the Communist Party, fight against splitting and disunity, fight against any kind of puppet government of the traitors.
3. Increase the fighting power of our regular armies, defend Central and South China and the North-west, repulse the enemy's attacks.
4. Extend partisan activities behind the enemy lines, establish new guerrilla bases and strengthen the existing ones, reduce the area of the occupied territory, co-ordinate guerrilla activities with those of the regular armies.
5. Improvement of military skill, establishment of mechanised units, preparation of the actual forces for counter-offensive.
6. Carry out political democracy under the leadership of the Central Government ; bring about greater unity between the government and the people ; develop the power created by the granting of Anti-Japanese political rights to the masses of the people.
7. Extend the united people's movement, the basis of our fighting power.
8. Improve the people's livelihood. Encourage mass enthusiasm in production. Arouse mass Anti-Japanese sentiment.
9. Put into practice a new war-time financial and economic policy in order to pass through this critical period.
10. Put into practice an Anti-Japanese educational policy according to the requirements of the war.
11. Bend every effort on the gaining of international assistance and help concentrate the world struggle against Japanese imperialism.
12. Establishment of anti-aggression united front of the peoples

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of China and Japan, and the oppressed peoples of Korea and Formosa. United struggle against Japanese imperialism.

13. Organise the peoples of China for a united struggle against Japan.
14. Exterminate the traitors and strengthen our front and rear.
15. Develop the Kuomintang, the Communist Party and all the other parties and Anti-Japanese organisations. Strengthen the United Front. Maintain the protracted war.

Protracted War and Long-Term Unity

Because the war is of long duration it is both necessary and possible to maintain a long-term National Anti-Japanese United Front. Within the National United Front it is necessary and possible to maintain a long-term unity between the Kuomintang and the Communist Party, the two being the most important political parties in China.

By long-term unity we mean that the unity between the Kuomintang and the Communist Party will be maintained not only during the war but after it.

Unquestionably the content of the United Front will not be the same as that of the present, but the present United Front determines the possibility of future unity. This is not senseless prognostication.

When we speak of long-term unity we mean a long continued National United Front. It includes, and will include for a long time to come, all the classes from the capitalists to the workers, all the political parties from the Kuomintang to the Communist Party, and all the peoples from the Chinese to the Miaos. During the war period some elements within the National United Front, being unable to endure the gruelling struggle, place their individual interests before those of the nation and thus become traitors. We must ceaselessly drive such elements out of the National United Front.

We must see in the future as well as the present, the interest of each and every class, the development of all the political parties, all the armies and all the different peoples. Otherwise it will be difficult to maintain unity for a long time. This is a national front, not a people's front. It is based upon the United Front of the Kuomintang and the Communist Party during and after the war and excludes the possibility of a split between the two parties and a return to fratricidal war.

The Three People's Principles constitute the basis for the National Anti-Japanese United Front and the unity between the Kuomintang and the Communist Party.

In May, 1936, in a special conference of our Party, a resolution was passed with regard to "Determined practice of the Three People's Principles":

> "In the midst of a serious social and national crisis, the patriotic elements in the Kuomintang and the people of all China demand unity between the Kuomintang and the Communist Party and a revival of the spirit which was born of the Three People's Principles. For national emancipation and independence, freedom and democracy and people's

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livelihood they demand that the two parties be reunited and lead the nation to meet the new situation in China's revolutionary history. Every Communist should realise this clearly. The Communist Party will never forsake its theory of socialism and communism. It will march towards the stages of socialism and communism through the stage of bourgeois democratic revolution. The Communist Party has its own party principles and political programme. Its party principles are socialism and communism. These are different from the Three People's Principles. But its political programme for the democratic revolution is more profound and far reaching than that of any other party and there is no basic contradiction between this programme and the Koumintang's Programme of the Three Peoples' Principles as declared by the First and Second Congresses of its representatives. This is why we do not disagree with the Three People's Principles and are willing to see them carried out. We and the people of the entire nation together with us demand of the Kuomintang that the Three People's Principles be put into practice. The Kuomintang, the Communist Party and the people of the entire nation must struggle together for the three great objectives—national independence, democratic liberty and people's livelihood." (The Immediate Tasks of the Chinese National Anti-Japanese United Front, p. 11).

Why should a political party based upon communism take such an attitude ? It is very clear. In the stage of national democratic revolution, national independence, democratic liberty and people's livelihood are precisely the main objective of the Communist Party.

We should understand that by successfully carrying out our tasks of the present we are laying the foundation for the realisation of our hopes in the future. By ideals and theories for the future we mean Communism as the solution of our new social problems. By immediate tasks we mean the practice of the Three People's Principles. This is the basic task in the attainment of national, political and economic equality. This is the united demand of the Kuomintang, the Communist Party and the broad masses of China.

To assure long-term unity, it is necessary to decide upon the form of organisation for such unity. I have criticised the one party theory. Considered in the light of our past history, our tasks of the present and the characteristics of Chinese society, the one party theory has no basis. It is an impossibility, entirely in contradiction to all the objectives of the war of resistance and national reconstruction. Not a single argument can be made for it. But, with all the parties keeping their own organisation in the National Anti-Japanese United Front, do we need some sort of unified organisation ? Yes, such an organisation is indispensable. If we don't have some kind of unified system, it will be disastrous for our concerted Anti-Japanese struggle and above all for long continued unity. All the parties should investigate the situation and determine the most suitable form of organisation for our long-term United Front. Below are the results of our investigation :

(*a*) The transformation of the Kuomintang itself into a National Alliance. All the parties join the Kuomintang and at the same time

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keep their own independent organisation, but in a different manner from the First United Front. Not only the Communists but the members of all the other parties should be admitted to the Kuomintang. If the Kuomintang is willing to open its doors, we are fully in favour of it. If such an action eventuates we will then be able to introduce some features different from those in the First United Front thirteen years ago. In the first place, the Communists will join the Kuomintang in the open and a list of names of all the Communists joining the Kuomintang will be handed over to the leading organ of the party. In the second place, the Communist Party agrees not to admit any members of the Kuomintang into its own organisation. The Communists will advise any Kuomintang applicant against such a step for the sake of the United Front. This is the first and best form of organisation for the United Front.

(*b*) A National Alliance of all parties. All the parties will support Generalissimo Chiang Kai-shek as the highest leader of the National Alliance. On the basis of equal representation among all the parties, a Central Executive Committee and local Executive Committees would be organised. These committees should be responsible for the carrying out of all the tasks of the United Front Programme. This is also a good form of organisation. It is agreeable to the Communist Party.

(*c*) The present method. There is no previous agreement as to policy and programme, etc. Negotiations are carried on as we proceed and inter-party questions are solved as they appear. This is a loosely organised system in which many a question cannot be met with the correct timely solution. There is a tendency for all work to drag on for a long time. That is not good for the long term-United Front.

The Question of a Democratic Republic

When the Communist Party speaks of the war of resistance and reconstruction of the nation, to what kind of nation does it refer ?

By a democratic republic we mean precisely a republic according to the Three People's Principles—according to Dr. Sun Yat-sen's definition of a nation "based upon international, political and economic equality." First, it will be an independent national China, not interfering with any other nation and not tolerating any interference from any other power. This is to say that China will change from her original status of a semi-colony into an independent nation but at the same time, no matter how powerful she grows, she will never be an imperialist nation. She will have peaceful relations with those friendly nations who respect her independence with a spirit of equality. She will live in the family of nations in a spirit of mutual helpfulness. As to the various peoples in China—they will enjoy equality with the Chinese people. Under the principle of self-determination the various peoples will rally together to establish a united national government. Second, China will be a democratic nation. Within the nation all

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the people will enjoy political equality. Various ranks of executives and officials will be elected by the people. The political system will be centralised democracy under which a parliament of the representatives of the people and local representative bodies will be established. Except criminals, all the people over the age of eighteen, regardless of class, sex, race, belief and cultural level, will have the right to vote and to be elected. Freedom of speech, press, assembly, organisation, belief, residence and movement will be established and guaranteed by the government. Third, China will be a nation conforming to the Principle of the People's Livelihood. The right to private property will not be denied but the workers will be provided with jobs and the working conditions will be improved. Peasants will be owners of land. Students will be provided with books and opportunities to study. All the social classes will be provided with suitable employment for the development of natural talents. In fine, all the people will be able to provide themselves with food, shelter, education and work. This is the kind of nation we mean when we speak of a democratic republic. It will actually be a People's Republic of China based upon Dr. Sun Yat-sen's Three People's Principles. It will not be Soviet or Socialist.

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CONTROVERSY

A Note on the Causes of Crises

EMILE BURNS' INSISTENCE on the inadequacy of any loose formulation which talks of " over-production of armaments " as a cause of crisis, and in particular any formulation which places this on a par with over-production in the consumption trades, is timely and welcome; and there is a great deal in his short article that gives important food for thought and discussion. It is true and important, as he points out, that the " purchasing power of the State " is not limited in the same way as is mass demand for consumption goods. At the same time, in suggesting that a crisis can *only* develop from a lack of markets for consumption goods, *i.e.*, through a contraction (relative or absolute—the article does not quite make clear which) in mass effective demand, I think he is in danger of giving his theory a rather lop-sided character that has more affinity to Rosa Luxemburg than to Marx.

It is true that Marx in the passage cited referred to the consuming power of *the masses*. But it is, surely, absurd to suggest that Marx *never* referred to any other sort of consumption, let alone any other sort of demand ? (Here I tend to agree with what John Knight says in his reply). I do not think Burns can have meant this suggestion to be taken literally. Does not Marx spend some time, in the *Critique*, speaking about " productive consumption," *e.g.*, consumption of constant capital in the process of production ? In his famous tables in vol. 2 Marx points out that the output of Department 2 (consumption goods industries) can find a market first in V, secondly in S of both Departments (*i.e.*, in wages and in that part of surplus value that is *spent* and not accumulated). The product of Department 1 (means of production industries) finds a market in gross investment (or accumulation) in both Departments, *i.e.*, in *replacement* of worn-out capital equipment (C) under simple reproduction, and in replacement *plus* expansion of equipment under expanded reproduction. Now, it is perfectly true that with regard to the former there is a vitally important class difference between V and S, which bourgeois economists have tended to obscure (as Emile Burns points out) : namely, a characteristic of the capitalist class is that it treats its income not only as a fund for consumption but as a source of *further accumulation*, (*i.e.*, it saves part of S in order to acquire yet more surplus value in the future). Non-Marxist economists in the past have assumed (with a few exceptions such as J. A. Hobson) that a transfer from V to S will have no effect on demand, and hence need cause no hitch. But, of course, such a transfer will, in fact, reduce demand for consumption goods, since a shift from wages to profits will increase saving. Hence, one must warmly agree with Emile Burns in emphasising that the contradiction between expanding productive power and consumption of which Marx spoke is *essentially* a contrast between productive power and the income of the *masses*: and exists precisely because a class society depresses the income of the masses, and does so as a necessity of its nature. But that is not to say that there are not occasions on which changes in capitalist consumption may have importance in the causation of a crisis: as we shall see in a moment, Marx referred specifically to one case where it may. Nor is it to say that crises can

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only originate in Department 2 (as Burns' article seems to maintain, if I understand him rightly).

That Marx's statement which Burns' article cites is *not* to be interpreted in a crude under-consumptionist sense is, to my mind, made perfectly clear by the famous passage of Marx where he points out that "it is purely a tautology to say that crises are caused by the scarcity of solvent customers or paying consumption," and goes on to point out that it is not a sufficient explanation of crises merely "to attempt to clothe this tautology with a semblance of profounder justification by saying that the working-class receive too small a portion of their own product, and that the evil would be remedied by giving them a larger share of it," since "crises are always preceded by a period in which . . . . the working-class actually get a larger share of the annual product intended for consumption."*

What Marx meant by the statement that "the last cause of all real crises" is the contradiction between the "restricted consumption of the masses" and "the tendency of capitalism to develop the productive forces" without limit is fairly plain, once it is placed in the context of all the things he said about crises. He was referring to this crucial dilemma in which capitalism always finds itself: to earn more profit on *existing* capital equipment it must increase demand; to expand its chance of amassing profit in the future, the capitalist class must "save," not spend, a large slice of its income. *Therefore*, the only effective way of expanding demand is to increase wages (but this, since it would eat into profit by increasing cost, is impossible as a solution); while at the same time, the progress of capital accumulation makes the contradiction progressively more acute in the future, both by piling-up the tendency for the profit rate to fall (owing to increase of C relative to V, or of capital equipment relative to labour power) and by increasing the *mass* of surplus value relatively to wages. But this is not the same thing as to say that crises can *only* originate in the consumption trades, still less that a crisis can only occur because the proportion of current income that becomes mass purchasing power declines.

In what principal ways, then, did Marx show that crises could occur? If my reading of *Capital* is correct, there are three principal ways:

1. Under expanded reproduction at a constant rate crises can occur owing to a disrupting of the "balance" or proportions between Departments 1 and 2 and the constituents, C, V and S, in each. As Marx showed, under capitalist anarchy of production, this balance "only occurs as an accident." A disturbance of the balance would show itself as a relative over-production *either* in Department 1 *or* in Department 2. And since equilibrium is an "accident," periodic dislocation sufficient to produce crises is inevitable.
2. The case of expanded reproduction at an *increasing* rate. This is the case where a crisis will arise from difficulties of "realising" surplus value: *i.e.*, it will originate in the consumption trades from deficiency of demand. It is a close parallel (if not identical with) the case which the Keynes school have recently been discussing so much: where an increase of saving causes unemployment in the consumption trades and does *not* lead to compensating expansion in the constructional trades (*via* lower interest rates and increased investment as economists have usually contended). Marx puts the matter in this way†: suppose the capitalists decide to *increase* the proportion

Capital, vol. 2, pp. 475-6. A footnote adds: "Advocates of the theory of crises of Rodbertus are requested to make a note of this." Rodbertus held that crises were caused because wage-earners received a diminishing share of the product.

†Vol. 2, pp. 593-6.

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of S that they accumulate. Then their decreased spending leaves goods unsold in the hands of capitalists in the consumption trades. How, then, are the latter to realise the funds with which to invest in new machines, etc., to be purchased from Department 1 ? If they cannot, the investment process is broken and a crisis develops. And if they cannot, how can expanded reproduction ever *increase* its rate, or even start in the first place ?

This passage (which seems to have been too often overlooked) shows that Marx was proof against the criticism of Rosa Luxemburg that he had underestimated the difficulties of expanded reproduction by neglecting the problem of " realisation." And Marx's answer to the riddle was much sounder than hers.* He reserves the answer until the last paragraph of Vol. 2. The difficulty can be met if, but only if, consumption goods that are unsold (on account of increased saving) are sold to gold producers—in other words, if new money comes into the system, and the unsold goods are disposed of in a one-way transaction against gold.† " New markets " (of which Luxemburg talked) are not by themselves sufficient, since ordinary two-way trade of goods against goods does not meet the difficulty. (It is to be noted that export of *capital* is to all intents and purposes a one-way exchange of goods for gold, or at least for paper claims on gold).

The case referred to by Marx arose because of a relative decline in capitalists' own spending out of S. But it could equally well arise from an increased ratio of saving to spending due to a shift from wages to profits. This is the case to which Burns' article presumably refers.

3. In Vol. 3 Marx proceeds to show that *even if* (" by an accident ") the proportions necessary for expanded reproduction to take place (as defined in the tables in Vol. 2) are maintained, and even if the problem of " realisation " does not arise or is successfully met, the tendency as capital accumulates for C to rise relatively to V will create a tendency for " the rate of profit to fall." When this occurs, a crisis will develop through investment being curtailed; and the crisis will in this case arise first in Department 1 (the constructional trades) and then spread to Department 2 through the unemployment and lower wages caused in the former. This falling profit rate that precipitates the crisis may show itself at first *either* in a falling price of products in either department *or* in a rise of costs (raw materials, etc.). It will be caused essentially by the increased productive capacity in both or either department—an increase of C, or of capital equipment—resulting from the investment of the preceding period. The boom which feeds on investment prepares its own inevitable collapse.

All this is not to say, of course, that Marx advanced eclectically three or four separate theories of crises. Marx said that a crisis was the expression of *all* the contradictions of capitalism. The basic contradiction between the productive forces and the relations of production under capitalism might find expression in any of these ways, according to the concrete circumstances of the particular time and place. That is why *concrete* study of each particular

*As a matter of fact, she appears to have thought (she was not altogether clear on the matter) that expanded reproduction even at a *constant* rate was always impossible in the absence of some " third market." Marx showed that this was not necessarily the case: this particular problem only came when the rate of saving, instead of being constant, increased.

†Vol. 2, p. 610. Under the modern credit system, an expansion of credit (*i.e.*, of bank money) could have a similar effect.

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crisis is necessary to discover the precise sequence of events through which the crisis is likely to develop.

What is the relevance of all this to the present situation ?

Hitherto in this country (as in Germany up to a year or two ago) an expansion of orders for Department 1 has been able to draw upon plentiful *reserve capacity*—surplus blast-furnace or mining capacity, or unexhausted possibilities of importing raw materials. State loan-expenditure (some of it financed ultimately by bank-credit expansion, *i.e.*, by new money) has enabled Problem 2 (above) to be successfully surmounted. (In 1938 there was a definite development of crisis symptoms of type 2, originating in the consumption trades; but the increased armaments expenditure in 1939 has submerged this for the time being). The period on which we seem now to be entering (similar to that on which Germany entered two years or so back) is one in which these reserves are becoming exhausted, and an increased rate of armament orders will have dangerous inflationary results unless methods are found successfully to restrict either (a) the activity of Department 1 devoted, not to armament purposes, but to ordinary replacement and increase of C, or (b) the activity of Department 2 directed either (i) to capitalist consumption (ii) to mass consumption. I agree with Burns in thinking we can rule out (b) (i) for practical purposes : this is not likely to be changed appreciably, and even when one or two restrictions are imposed on luxuries, as in Germany, the " big people " usually find plenty of ways of circumventing them. (a) has been tried both in Italy and Germany by limiting private investment in new firms or extension of plant; but still more, of course, (b) (ii) has been relied upon, partly by simply keeping money wages down, partly by restricting the *output* of consumption goods (inability to import raw cotton, priority lists favouring armament industries, etc.). Commodity taxes would also serve the same purpose. Burns himself points out that when restriction of consumption takes the latter form (curtailed supply), it does not cause an over-production crisis in Department 2—on the contrary; and that is why I do not think one can expect a recurrence of the 1938 events in the *near* future. But if these measures of restriction are unsuccessful, and the increase of armament expenditure results in inflationary symptoms, then the effect of this will be a sharp rise in costs *both* in the industries making consumption goods *and* in those making ordinary (non-armament) capital goods (due to armament orders bidding up the price of essential raw materials; as building materials rose sharply 1½ to 2 years ago and gave a check to private building); and the result may be the appearance of acute crisis symptoms in these trades. (This is, however, something different from saying that inflation is an " expression of the over-production crisis in the armament industry " : a statement made by Knight which I find it hard to understand. Rather could inflation be termed a symptom of *shortage* of real resources available to expand armament production). It is to avoid this danger that Germany wants to dominate Rumania and Jugoslavia, etc., and to extort raw material imports from them, while fobbing them off with mouth-organs and second-hand armaments in return (C.f. Einzig's *Bloodless Invasion*). This situation might well develop in this country as part of the foreign trade balance problem—the increased difficulty of importing. This is the *real* limit to " State orders " : not its ability to find the " purchasing power," but its ability to seize from somewhere the real resources required. And it is here that I feel that John Knight's formulation about armament over-production is inadequate and even misleading.

At a somewhat later stage Problem No. 3 (above) is likely to develop—a falling profit-rate tendency due to the increase of capital equipment (of C relatively to V). True, this is not likely to develop in the section of industry

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working for Government orders so long as the flow of Government orders continues. But it will do so in that section of Department 1 working for private investment orders and in Department 2. The importance of this is that it will tend to occur whether or not there is the relative decline in wages of which Burns' article speaks. Which is likely to be the *immediate* cause of crisis —whether curtailment of investment orders affecting Department 1 or over production in Department 2—is not possible, I think, at this stage to foresee.

Of course, it is possible, in the abstract, for armament orders to increase at an accelerating rate (as has been the case up to now) and so to provide a counter-weight to any such crisis tendencies (*e.g.*, by counterbalancing any unemployment that may develop in Department 2 with increased employment in armaments). But, *in practice*, such an increase would come up against very severe limits, and the concrete possibility of " compensating " crisis-developments elsewhere (*i.e.*, outside the armament trades) will grow progressively less. It is, surely, only by a very narrow definition of " economic " that Burns can say that " there is no economic limit to the purchasing power of the State " ? One of these limits consists in the increasing difficulty of importing certain " key " raw materials that we have already mentioned. Nor can budgetary difficulties be ignored—the difficulty of maintaining interest payments on a swelling mass of State debt. True, in the abstract, there is no limit to the extent to which the State may raise funds " by force or fraud "—by taxation of workers, or by taxation of the capitalists, or by " conversion operations," reducing existing State debt to a lower interest rate. But it is notorious that in Germany the Fascist State has preferred to borrow rather than to tax capitalists (thereby, incidentally, increasing profits for the time-being); while repeated conversion operations, to lower interest rates, would clearly create very grave political tension within the capitalist class. There remains taxation of the workers and middle class or reduction of money wages. And, as Burns points out, if an expansion of armament orders financed by reducing mass purchasing power is intended as a counter-weight to some *existing* crisis tendency (*e.g.*, of type 3 above), it will fail in its effect, because the reduction of mass purchasing power will *further* depress the consumption trades.

True, the possibility or impossibility of any of these " ways out " for capitalism depends on class factors. But so is this always the case. " There is never *no* ' way out ' for capitalism." Whether it can find one or not depends on the state of class forces in the existing concrete situation. We must avoid looking for too mechanistic an answer to the question.

Once it comes to the point when, for any reason, the rate of armament expenditure *declines*, then of course a crisis will develop simultaneously in Departments 1 and 2, owing both to " limited consuming power of the masses " (to be made worse probably by attacks on wages) and to the difficulty of stimulating private investment sufficiently to balance the fall in the armament demand for the products of Department 1. A capitalist government cannot achieve a " switch-over to consumption." (A People's Front Government, on the other hand, would be in a different position, because its primary aim would be to raise the standard of life of the masses, not to preserve profits). But for the reasons mentioned above, a crisis is likely to develop *before* this point (a *declining* rate of armament expenditure) is reached : namely, at the point where the practicable rate of *increase* of armament expenditure is no longer able to offset the developing crisis tendencies elsewhere (*i.e.*, in Department 2 and in the sections of Department 1 not working on Government orders).

M. H. Dobb.

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DOCUMENTS

International Trade Union Congress

THE CONGRESS OF the International Federation of Trade Unions met in Zurich on July 5th-8th. A key issue was the affiliation of the Soviet trade unions to the International; and in the debate under this head Señor Villasenor, of Mexico, and Leon Jouhaux, of France, made powerful pleas to the Congress to make a new gesture of unity. Jouhaux said: "We are at the cross-roads. This is no ideological question. It is a question of the unity of all the workers of the world. It is a question of life or death. If I went into the relation of the Soviet trade unions with their Government I would have also to go into the position of other trade union movements, within the International, in relation to their Governments." M. Racamond (France) said: "Unions are not the same in Russia because, there, capitalism has been conquered. They remain loyal to the best traditions of the trade union movement."

The resolution proposed by George Hicks (Britain), supported by Norway, suggested a new invitation to the Soviet trade unions to affiliate on the basis of I.F.T.U. statutes. The American Federation of Labour led the opposition, supported by most of the smaller European states. Spain and China had delegates at the conference, but neither were able, under the rules, to cast their votes. The British resolution was rejected.

The main resolutions were on Peace and Economic Policy. The former was adopted after the section on the Soviet Pact in the draft (*italicised* below) had been watered down by amendment to read: "The Congress considers that the Anglo-Franco-Soviet Pact has the possibility of establishing an immediate and important basis for the defence of freedom and hopes that it will come into being at the earliest possible moment."

RESOLUTION ON PEACE

The Congress of the International Federation of Trade Unions once more condemns the policy of violence and aggression carried out by the totalitarian states against the existence, the rights and liberties of peoples. The suppression of Abyssinia, the enslavement of Austria and Czechoslovakia, the destruction of the Spanish Republic, the aggression in China, the rape of Albania constitute stages in a policy of conquest and domination which revolts all free spirits. The working class cannot consider as final these victories of violence over right and it assures the Chinese people of all its active sympathy in the struggle against the aggressor.

Not only are the people's rights cynically ignored, their traditions and beliefs are also strangled in order to make way for the odious principles of racial theories that run counter to human civilisation. But in this return to barbarism it is particularly peace which is directly menaced. And in order to defend it effectively and immediately only one attitude is possible: no more concessions to force by the collaboration in the peace front of all nations which wish to remain free.

The Congress greets the stiffening in attitude which has taken place in recent months on the part of the democracies which are resolved to tolerate aggression no longer and to effect a solution by the methods of right and justice of all conflicts which may arise.

It is around the Anglo-Franco-Soviet Pact that this wider collaboration for the defence of peace and freedom must be finally and rapidly achieved.

The Bureau of the I.F.T.U. is instructed to follow international events attentively in order to acquaint the national centres with the facts as rapidly as possible and to take all steps to see that the latter are ready to adopt all means at their disposal to prevent premeditated aggression and to avoid the catastrophe feared by all peoples—war.

The Congress considers that a definitive and stable peace can only be realised on the basis of justice between all peoples, resulting from an international collaboration that is indispensable to the life of mankind.

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With this in mind, the workers organised in the I.F.T.U., associating themselves with the resolution of the Workers' Group of the International Labour Conference, hail the initiative of President Roosevelt for the calling of an international conference to which all peoples would be summoned without exception in order to seek a solution of all economic, financial and colonial problems raised by the satisfaction of the proper needs of their existence.

The Congress invites all national centres to intervene with their governments in order that the latter may participate in this international conference, which should meet directly the threats of war are dissipated, to achieve the loyal co-operation of all peoples in the disarmament which will finally free *humanity*.

Resolution on Economic Policy and Combating the Slump

The Congress notes with profound disquiet that economic life has developed, nationally and internationally, during the last years in a way and along lines which give rise to the greatest apprehension.

Since the Fascist dictatorships have acquired a far-reaching influence on the trend of economic developments by their measures of war economy, of rearmament and systematic autarchic policy, and the democratic and peace-loving countries have been forced to adopt measures of defence of a corresponding nature, world economics have acquired the character of a transitional stage from the peace economy which was secured by dint of great effort and under great sacrifices after the World War, to an economy of war readiness. The state of latent economic pre-mobilisation hampers all normal economic activity.

The international trade union movement has observed this threatening development with increasing disquiet; in the first place because the peace-loving countries are saddled against their will with sterile outlay on the defence services on a tremendous scale and in consequence with a scheme of re-investment without fruitful issue and of an enormous scope; in the second place because the "authoritarian" policy of the Fascist dictatorships is paralleled by increasing state intervention of a semi-authoritarian nature in the democratic countries, and finally, because the money for economic and military rearmament all over the world is found mainly at the expense of the working classes.

The social reaction which follows from these developments is not to be mistaken. The armaments race annihilates the prosperity of the peoples. In all countries the working classes, the trading classes and the petty bourgeoisie become the victims of the inability of the system of capitalist economy to secure a peaceable and just order for the social and economic relations of mankind and to give a systematic guidance to economic life.

Even if the greatest catastrophe, war itself, is avoided, the world will stand on the brink of another crisis, in its effects hardly less terrible than war, when the moment of economic exhaustion by virtue of the armaments race or in consequence of a halt in rearmament, has been reached.

The international trade union movement declares in view of these dangerous developments that it will do everything to avoid the eventuality of millions of workers again plunging into the abyss of a new world economic crisis only because the capitalist ruling forces are incapable of organising a planned economy by means of which it would be possible to save mankind from the distress of a new catastrophe. The trade unions by no means ignore the difficult position of the democratic countries who have to arm for the maintenance and defence of their existence and liberty as a result of which the danger of a crisis is increased. It is in consequence even more imperative to leave no economic avenue unexplored in order to prevent crisis developments that may be foreseen and in good time to introduce measures of defence with a view to effectively combating a threatening slump.

In this connection the international trade union movement notes that, inasmuch as the States have devised the means of finding immense resources to cover military expenditure, the trade unions have the right to demand that the same effort shall be made to meet the essential needs of the whole community.

In the statement on "Trade Union Principles for Preventing and Combating the Slump," submitted to the Congress, the International Trade Union Movement has indicated ways and means, the energetic and logical use of which would make it possible even within the framework of the system of capitalist economy and on the basis of contemporary economic life, to prevent an economic slump of the magnitude of the last great economic crisis which paved the way for Fascism.

The Congress declares that the free trade unions of all the world are determined to do everything in their power to secure the necessary con-

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sideration for their proposals for averting and fighting a slump. The Congress appeals to international public opinion and to the broad masses of the population in all countries to give their support to the struggle of the trade unions for the organisation of a planned economy guided by the needs of the nations and the aim of raising the workers' standard of living. The prevention of slumps is the linchpin of any and every planned economy.

A democratic and planned economy is the modern form of organisation for economic life and for the community. The International Trade Union Movement draws attention to the transformation of industry which is taking place in nearly every country, and which, though the form may vary, is marked everywhere by intervention on the part of the public authorities.

The international trade union movement stresses, however, that the Fascist dictatorships constitute the cause of the economic dangers which to-day menace the whole world and economic life and so hamper the social progress of mankind.

The Congress confirms the line of economic policy pursued up till now by the I.F.T.U., and stresses the necessity for the democratic States to decide on and pursue a common economic policy. They must effectively organise their financial and economic power so as to counter the economic methods of the Fascist countries. The Congress emphatically declares that economic questions in dispute can never be solved by a resort to arms.

An economic policy of the democratic and peace-loving States organised and co-ordinated in an effective manner would constitute the most adequate basis of an international policy of combating a slump, which must be applied energetically if the world and mankind are to be saved from another economic catastrophe.

The Congress expects of affiliated National Centres that they do everything in their power actively to further the economic plans of the International Trade Union Movement and to bring nearer their realisation.

PUBLICATIONS RECEIVED.

Russia—Friend or Foe? Pat Sloan. (Frederick Muller.) 5s. 200 pp.

Administering Unemployment Compensation. R. Clyde White. (University of Chicago Press and Cambridge University Press.) 10s. 312 pp.

Coal Combines in Durham. W. H. Williams. (Labour Research Department.) 2d. 22 pp.

The Fate of Homo Sapiens. H. G. Wells. (Secker and Warburg.) 7s. 6d. 330 pp.

Germany's War Chances. Dr. Ivan Lajos. (Gollancz.) 3s. 6d. 160 pp.

"National" Capitalism. Ernest Davies. (Gollancz.) 10s. 6d. 320 pp.

The Smaller Democracies. Sir E. D. Simon. (Gollancz.) 6s. 191 pp.

The Condition of the Workers in Great Britain, Germany and the Soviet Union, 1932-1938. Jürgen Kuczynski. 1s. 6d. 92 pp.

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BOOK REVIEWS

Munich Still

Eyewitness in Czechoslovakia by Alexander Henderson. (Harrap. 10s. 6d.)

FOUR MEN MADE the German Peace of Munich, and those four men still rule in their countries: but the country whose territory was to be "internationally guaranteed," whose imaginary distemper was to be cured, is no more, and her ruler is in exile. As the anniversary draws near, and Goering gleefully wishes Hitler, "Many Happy Returns of der Tag," it is important to consider what is before us now, in the light of what happened last year.

As an account of the sacrifice Mr. Henderson's book, vivid, moving, a trifle superficial, has little to recommend it above a dozen others: but as well as being the *Daily Herald* correspondent, the author was chief editor of the Central European News Agency, a Czechoslovak government organisation, and thus had better opportunity than most to discover just what London was saying to Prague throughout that summer. And it is in this documentation of the century's dirtiest deal in an age of dirty deals, that the highly topical importance of this book lies.

Czechoslovakia was perhaps the hardest nut that Hitler will have to crack till he reaches the borders of the Soviet Union. In fact, he needed not merely, as in the case of Austria, a friendly neutrality on Britain's part, but an active intervention. Alone Hitler knew he had little chance against the small but vital Czechoslovakia, so British help was asked for; and was readily given. With an ingenious simplicity that would have left Machiavelli speechless, Britain tried out the Trojan horse; the Runciman mission went to Prague with three objectives: to smash the Czech-Soviet pact, to destroy Czech democracy, and to hand over Sudetenland to Germany. In his memorandum published after Munich, Lord Runciman recommended:

> That the Czechoslovak Government should so remodel her foreign relations as to give assurance to her neighbours that she will in no circumstances attack them or enter into any aggressive action against them arising from obligations to other states.

Earlier on he had also recommended:

> That those parties and persons in Czechoslovakia who have been deliberately encouraging a policy antagonistic to Czechoslovakia's neighbours should be forbidden by the Czechoslovak Government to continue their agitations; and that, if necesssary legal measures should be taken to bring such agitations to an end.

As Mr. Henderson rightfully remarks: "There is not the slightest difference between the recommendations to the Prime Minister and Germany's own designs in Czechoslovakia, as reiterated unceasingly since 1936."

As for the handing over of Sudetenland, that "advice" was also put in print—in the *Times* on September 7.

Chamberlain is still Prime Minister, he has taken Runciman into the Cabinet, and he has rewarded the lesser inmates of the Trojan horse with labels and badges. It is true that later, the rape of Prague made it necessary to make an adaptation in British policy.

To-day the British government has adopted our Peace Bloc policy—or has it? A little odd that the government which has merely "postponed" the Düsseldorf agreement, which has handed over the Czech gold to Germany, which has urged Poland to negotiate over Danzig, which has refused any but

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the most meagre credits to her and Rumania, which has sabotaged the Chinese currency, a little odd that this government should now be proposing to ally itself with the Soviet Union against the very order which it has bolstered up as a " bulwark " against Bolshevism. No, there will be no Soviet Pact, or if there is it will be repudiated as soon as the occasion demands ; but the National Government has a very different plan in mind, nothing less than a second Munich : in their frantic desire not to lose all, the British monopolists are prepared to pay very heavy " protection " money to their Frankenstein, reimbursing themselves as far as possible from their own working class, and also from the rest of their own capitalist class ; they are prepared even to subordinate themselves and their country to Nazi Germany, in preparation for the ultimate aim ; a war against the Soviet Union. The strongest confirmation of the preliminary plans can be seen in Mr. Henderson's account of Runciman's machinations in Prague : it is a perfect miniature of that monstrous betrayal which lies ahead of us if our " National " Government is allowed to have its way.

ROGER ROUGHTON.

A Miner's Autobiography

These Poor Hands by B. L. Coombes. (Gollancz. 7s. 6d.).

AS A PIECE of descriptive writing on the dangers and trials of a miner's life there is nothing to beat this book. Pit explosions and serious accidents prompt the newspapers from time to time to shed crocodile tears for the miners and to write gush stories of their courage and heroism. Within a few days it is all forgotten, and all the well-worn arguments against higher wages and a shorter working day for the miners are again brought out of cold storage. But here we have an exceedingly well-written account of the personal experience of one who left the small farmer's homestead of his parents in Herefordshire to " try his luck " at the age of eighteen in the mining valleys of South Wales —at that time the " eldorado " of the farm labourers in the surrounding districts.

Life was not easy on the farm, but it was more difficult still in the mine. But for a young man seeking new worlds to conquer, the advantage of higher wages and the quickening pulse of industrial life acts like a magnet. Still, this young man got more than he bargained for, and many times during his first shift in the mine he must have thought (as I remember I did) that he would never be able to survive for the second day.

The author started work on the night shift, and his feelings after a few hours' work as a miner can best be described in his own words :

> My legs became cramped, my arms ached, and the back of my hands had the skin rubbed off by pressing my knee against them to force the shovel under the coal. My skin was smarting because of the dust and flying bits of coal. The end of that eight hours was very soon my fondest wish. . . .
>
> By four o'clock in the morning the shovel felt to be quite a hundredweight and I winced every time I touched my knee or back against anything. I got sleepy too, and felt myself swaying forward on my feet. I dropped some water in my eyes and revived for awhile, then I pinched my finger between two stones and was wide awake for some time after.

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The life of a miner seemed a little easier after this first baptism in the fire of experience. There were many new things to get used to, how to discern the slight drip of shale which precedes a big roof fall, finding out the " grain " of the seam, setting pit props at an angle to take the " squeeze " of the roof. By no means the least of these new problems was that of washing at home (before the day of pit-head baths), getting the dust out of eyes and ears, and especially overcoming the shyness of bathing the whole body in the presence of the womenfolk !

Most interesting of all are those parts of the book which describe in the most simple and matter-of-fact terms the unnecessary hardships imposed upon miners and the various methods by which they are robbed. These examples are all the more remarkable because the author is by no means a socialist and does not seem to have taken any active part in the trade union. The author himself was an instrument (perhaps unconsciously) for speeding up production in a new seam, so that the piece-rates in the new price-list were kept down to the minimum. When the coal-cutting machine came into operation, the enthusiasm of the men was exploited to cut down piece-rates. The miner has to pay anything between three or four pounds for a set of tools. With the introduction of steel helmets he had to pay for them as well. Thousands of miners have to pay anything between five and ten shillings a week in fares. And then, once a week on " measuring " days, the officials employ every conceivable device to withhold or reduce the value of work done by the piece-workers. All this is told in a homely narrative form, devoid of all technical terms, so that an average reader who has never seen a coal mine can understand it all. And not only understand it, but boil with indignation against those responsible. The author himself is mildly indignant now and then, but does not seem capable of drawing any political conclusions. For this reason, the book as a whole is lop-sided.

Every phase of the miners' life, except his trade union and political activity, is described intimately and with sympathy. And yet it is well-known that the miners' lodge is not just a formal trade union branch. It fights the battle of the miner and his family in a hundred and one different ways, the battle of the working miner, the injured miner, in defence of civil liberties, better housing and social services, etc. No description of a miners' life in South Wales, however well-written, can be complete without this, because trade union and political activity are bread and meat to the Welsh miner.

As a description of the arduous toil of a miner, this book is invaluable to the layman. But as a mirror of class feelings it is extremely disappointing, because the author himself has not yet understood the real nature of class society. It may, however, be the first step towards that, and in any case will open the eyes of many readers even if the author himself is not yet convinced that our job is to change the world as well as describe it.

IDRIS COX.

Capitalism in Crisis

Can Capitalism Last? by Frederick Allen. (Gollancz. 7s. 6d.).

THIS BOOK WAS an L.B.C. "additional book" some 18 months ago, and at the time received rather less attention from reviewers than it deserved. It is a first work by a young writer who is well-informed, has a competent grasp of the literature both of Marxism and of academic economics, and can write lucidly and persuasively. The book virtually consists of a series of essays on

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certain aspects of monopoly capitalism and shows thought and considerable freshness of insight as well as of presentation. The unifying theme of the book can be described as being the relation between purchasing power and production and the significance of this relation in the causation of crises. Here the author draws upon the ideas of Mr. Keynes as well as upon Marx. In two chapters on Productivity he has some interesting things to say about the way in which the very growth of labour productivity under capitalism makes the " gap " between consuming power and productive power wider, and so accentuates the problem of crises and the disease of unemployment. Three short chapters, entitled " Some Crises Considered," contain interesting concrete material and afford illuminating summaries of the specific features of leading crises in the pre-war and the post-war epoch, in the course of which he poses the question : " is there such a thing as a rock-bottom to a crisis ? " Here the treatment is stimulating but slight and one wishes it had been fuller —both more considered and more comprehensive. Finally, the author deals with certain " palliatives " for capitalist crises, such as tariffs, wage-cuts, currency- and exchange-depreciation, armament expenditure and government loan-financing. He summarises his own conclusions as follows :

> Although we have been able to formulate a series of laws, or methods of behaviour, of the capitalist economy as a whole, this does not mean that it is a mechanism such as a clock or an internal combustion engine. This analysis has revealed a constant tendency for purchasing-power to fail; but it cannot be deduced therefrom that the capitalist system will run itself down to a standstill. The component parts of the system are social classes . . . . (and) at this stage the survival of capitalism becomes a political question involving the effectiveness of the resistance of the oppressed.

The only final solution lies in socialism :

> the essential pre-requisite for the removal of the barrier between production and consumption is the abolition of the profit-incentive and the employer-employee relationship.

It is rather a pity, since the author so frequently quotes Marx and has clearly drawn so much of his inspiration from the pages of *Capital*, that he nowhere sets the ideas of the book against the background of Marx's theory of crises treated as a whole. The book has a tendency, as a result, in implicitly expounding the Marxian theory, to convey a somewhat one-sided impression of it—at any rate, a partial and far from comprehensive impression. While what is said by the author about the contradiction between productive power and consumption is of outstanding importance, it is not the whole cloth of Marx's theory of crises. (It is a bit surprising to read on p. 58 the categorical statement that if 100 per cent. of all incomes were spent, " no problem of over-production could exist.") With regard to Mr. Keynes, whom, again, the author cites extensively, it is unfortunate, although it is no fault of the author, that the book should have taken shape while the ideas of Mr. Keynes were in transition and were about to be represented in a new work. Mr. Allen's book appeared after *The General Theory of Employment, Interest and Money*, and he has a reference to the new doctrines of the latter in the introduction and in four paragraphs added to a chapter on the rate of interest. But the Keynesian doctrine that is discussed in the body of the book is the 1930 and not the 1936 version. Perhaps it is not unconnected with this that that author should have given the Keynesian doctrine of " the multiplier " an interpretation that it will not really hold, in the form of his notion of " negative repercussions." (It is not true that the unspent portion of increased income resulting from State expenditure on public works sets in motion a " negative repercussion " towards diminished employment; it merely has a zero *additional* influence. Nor is it true that, when interest-payments on a State loan are paid for by taxation, this necessarily cancels the effect of the previous loan; since incomes have meanwhile been increased by the loan-

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expenditure and it is from these increased incomes that the new taxation is paid.)

Mr. Allen's critical attitude to public works expenditure raises a wider issue. While he is perfectly correct in emphasising the limited possibilities of all such "palliatives" to deal with the fundamental problem, his preoccupation with demonstrating this contention has led him to leave us with an altogether too negative result. He fails (as was pointed out by the reviewer in *The Daily Worker*) to indicate at the same time the important, if limited, potentialities, of State expenditure on public works under a People's Front or a Labour Government in the fight against unemployment: a negative result that may encourage passivism and defeatism.

It is hardly surprising that in a first book there should be weaknesses—weaknesses that later work (which one hopes for from this author) can repair; and there is enough that is important and stimulating in these 286 pages to deserve the attention of any serious student.

M. H. DOBB.

Millions for Liberty

China Fights for Freedom by Anna Louise Strong. (Lindsay Drummond. 5s.).

THE HISTORY OF China during the last two years is a matter about which we too seldom hear. The usual papers report only the major brutalities of the Japanese and scarcely anything of the tremendous revival and reconstruction of China. Miss Strong, in a fascinating book, goes some way towards filling in the picture of what is happening in China, relates it to other great struggles for freedom, and emphasises the crucial importance of this war for the future of humanity.

She shows the similarities between the present struggle of the Chinese people for independence and the struggle of the American colonists for freedom from Britain's imperialist rule, and the similarities are encouraging. But she could also have fruitfully compared Chinese resistance and the war of the Soviets against imperialist and White Guard armies in 1919 and 1920. Then the interventionists had the arms and the Soviets had only ill-equipped troops. But the Soviets won, for, as the standard History of the C.P.S.U. points out, the Red Army and the people understood the necessity and the justice of the war. That by and large is the position in China to-day, not just among the 8th route or the 4th army, but throughout China. The picture of China Miss Strong gives is of a people awakening, and that is well illustrated in her chapters on women and the drama. "Art is forced back to the people."

There are similarities too, and ones of great significance, between the China of 1931-37 and the Britain and France of to-day. The government of Chiang Kai-Shek practised a generous policy of appeasement, yielding huge slices of China to Japan, appointing pro-Japanese officials in many areas and suppressing anti-Japanese movements. But the appetite of the Japanese ruling cliques was insatiable and soon the government and bourgeois circles saw that they would have either to submit completely to the Japanese and be almost enslaved, or else sincerely lead the popular movement for resistance. By doing the latter they had to serve the demands of that popular resistance and the government are slowly coming to see that success depends on the co-operation of the whole nation, and requires both a people's army and an armed people. That lesson was taught especially by the loss of Canton and

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Hankow. We must see that this lesson is not lost on Europe as was the lesson of China's appeasement policy.

This book also shows how inevitably weak is and will be a British policy of resistance to Fascism and aggression, in the Far East as in Europe, unless securely based on loyal co-operation with the U.S.S.R.

Miss Strong briefly sketches the past history of China basing herself on the new knowledge of that history which is just becoming available in the West in such books as Fitzgerald's *China*, and Chi's *Key Economic Areas in Chinese History*. This history is very necessary to the understanding of modern China, but she does not, even in the brief space available, sufficiently bring out the similarities and differences between the unrest in China since 1850 and previous periods of peasant unrest and rebellion that led to new empires.

This book shows the importance of China for the near and distant future, the methods by which Japanese imperialism is worming itself into British, Dutch and American possessions in the Pacific, and brings out the contradiction of the policies of America and Britain to Japan. For whereas the war against China is a war on British and American interests, yet the U.S.A. and the British Empire between them supply almost all the money (by buying Japanese goods) and all the materials Japan needs for the war.

May this book arouse many to join in the campaign for China. " For when 450 million Chinese win their freedom, the world will soon be free."

HUGH DUCKERING.

A Disappointing Book

Hitler Calls this Living ! by a Member of the German Freedom Party. (Sidgwick and Jackson. 6s. Paper, 2s. 6d.)

I OPENED THIS book with a keen sense of hope, but much to my regret I closed it with a strong feeling of disappointment mingled with resentment. A professed Nazi agent could hardly have written a better book.

Certainly we are presented with a lot of valuable facts concerning the living conditions of the people and the various laws passed, but the moment we probe into the matter further we find considerable cause for misgiving, firstly for the way the facts are linked together and secondly for the statistics which are left out. For instance, we are not given the most important figures of the whole Reich, namely those of the increased profits of the big monopolies, since Hitler came to power.

Leaving the world of figures and entering the realm of politics, some of the statements in the book are so staggering that I am anxious to quote some of them in order to explain my attitude towards the book. In the chapter on " Economic and Financial Systems " we find :—

> We must emphasise in this chapter—and particularly in this chapter—that the basic tendency of the Nazi Party and its youthful radical adherents is communistic (p. 123).

Again under " Party, State, Justice and Culture " the author says :—

> We can understand a certain antipathy being felt towards Jews who immigrated from Eastern Europe, and the Jew's ambition to make his way in the world has not always gained him the sympathy of his compatriots. (p. 187.)
>
> The treatment of the Jews is a personal act of vengeance on the part of Herr Hitler. (p. 189.)

Under the heading, " Foreign Policy " :—

> And what of Russia herself ? Whoever has read carefully Stalin's account of the " position of the Soviet Union in international affairs " issued last March

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> will have noticed with astonishment that Stalin repeatedly attempts to show that there are no causes for dispute with Germany and Italy. (p. 196,)
>
> We shall know before long whether the differences between France and Italy can be settled peacefully by discussion. (p. 198).
>
> Alsace might be a fair exchange for the French-speaking part of Switzerland. (p. 199.)

Finally, in the "Conclusion" we read:—

> Communism will not follow Hitler. It will be established in Germany through Hitler, and this is a fact which the ruling classes in other countries ought to comprehend. (p. 208.)
>
> Russian Bolshevism has been taken by Hitler and his henchmen as their model, and the resemblance between the two systems continues to grow. (p. 210)

What does it all mean? The author says that he wants the democratic countries, excluding by implication the Soviet Union, to resist Hitler, which would not and could not be an effective resistance, as we all know. Also right through the book we are told of the resentment of the people, but not a single indication is given of the effective organisation of the opposition. To find reference to this let us turn to Manuilski's report at the 18th Congress of the C.P.S.U.:—

> Although the leader of the Party, Comrade Thaelmann, is now for the sixth year in a fascist prison and in spite of the terribly difficult conditions of illegality, the Communist Party of Germany understood how to maintain its organisation. It is the only anti-fascist Party which does political mass work in Germany.

I state here openly that an author who does not know the difference between Nazi Germany and the Soviet Union has no right to speak for the German people.

It should finally be mentioned that there is no connection between the German Freedom Party and the German Freedom Wireless.

E. TUCKFIELD.

The Unemployed

Guide to Unemployment Insurance, Part 1 (2d.). *Fascist Danger and the Unemployed* by Wal Hannington. (1d.). (National Unemployed Workers' Movement).

The Guide to Unemployment Insurance, prepared by the Unemployment Research and Advice Bureau, is a pamphlet which should be in the hands of all members of Courts of Referees, Trade Union Branch Secretaries and those engaged in similar work. And, of course, for every unemployed man and woman determined to get their full rights and to know what is happening and what they can do inside the Unemployment Acts the pamphlet is a veritable charter of rights.

The authors have taken nothing for granted. Starting from an outline of the Unemployment Insurance Act, they deal in turn with contributions, scales and duration of benefit, dependants' benefit, conditions and disqualifications, waiting days and continuity rules, anomalies regulations, agricultural benefit, supplementary benefit, etc. These questions are dealt with clearly and simply. The legal mumbo jumbo of the Act and various Government circulars has been discarded to a great extent and the essential points presented in a manner easily understandable to the average man.

The Fascist Danger and the Unemployed once again directs the attention of the movement to the importance of this problem. In a general abstract sort of way most individuals in the Labour Movement agree that fascism is a menace and that the unemployed are a potential source of strength to fascism.

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This pamphlet is not general. It shows concretely some of the *steps being taken by the Fascists* to penetrate the hitherto untarnished ranks of the unemployed—steps which so far have failed primarily because of the activity of the N.U.W.M.

In a plea for more attention from the Labour and Trade Union Movement to this problem Hannington says :

> It is important to remember that the faith of the working class in the Trade Union and Labour Movement is based on its achievements, not on its failures. For 150 years or more, that movement has successfully fought to improve the industrial and political conditions of the working class. If to-day that great movement, through weak leadership, wrong policy, or division in its own ranks, fails to protect the workers in the present critical period, it can lead to a lapse of faith, a loss of enthusiasm for the Labour cause, a mass desertion from the movement and a temporary wave of inertia which will be seized upon by our fascist enemies in an effort to crush the movement.

The pamphlet is not primarily an appeal to the Labour Movement for more attention. It is principally directed towards answering the fascist arguments and activity among the unemployed. Mosley's various publications are examined, thus lies, distortions and demagogy are calmly exposed.

By reading these pamphlets one can become better fitted for the work of defeating fascism. I strongly recommend them both.

PAT DEVINE.

SHORTER NOTICE

India's National Income. by V. K. R. V. Rao. (Allen and Unwin, 6s.)

The most up-to-date and careful study of the highly controversial question of India's national income since Shah and Khambata's " Wealth and Taxable Capacity of India." Previous estimates since the original estimate by Dr. Naoroji in 1876 are subjected to critical analysis. Any estimate is necessarily conjectural owing to the absence of any adequate official statistics or census of production. The author reaches a conclusion which shows an average annual income per head of 77.9 rupees (£5 17s.), or 2s. 3d. a week. This is an average figure comprising the incomes of both the millionaire and the labourer. Allowing for the unequal distribution of incomes, the author reaches a figure of 64.6 rupees per head for the vast mass of the people, or 1s. 10d. a week. The author concludes : " In relation to the rest of the world we are worse off than we were sixty years ago . . . We conclude this essay with a feeling of sadness. Our investigations have revealed a profoundly disquieting state of economic affairs in India."

CORRECTION

We regret that a mistake occurred in Huntly Carter's review on the New Russian Theatre in our July number. In the opening paragraph the words " Five Year Plan " should read " the all-national socialist planned development."

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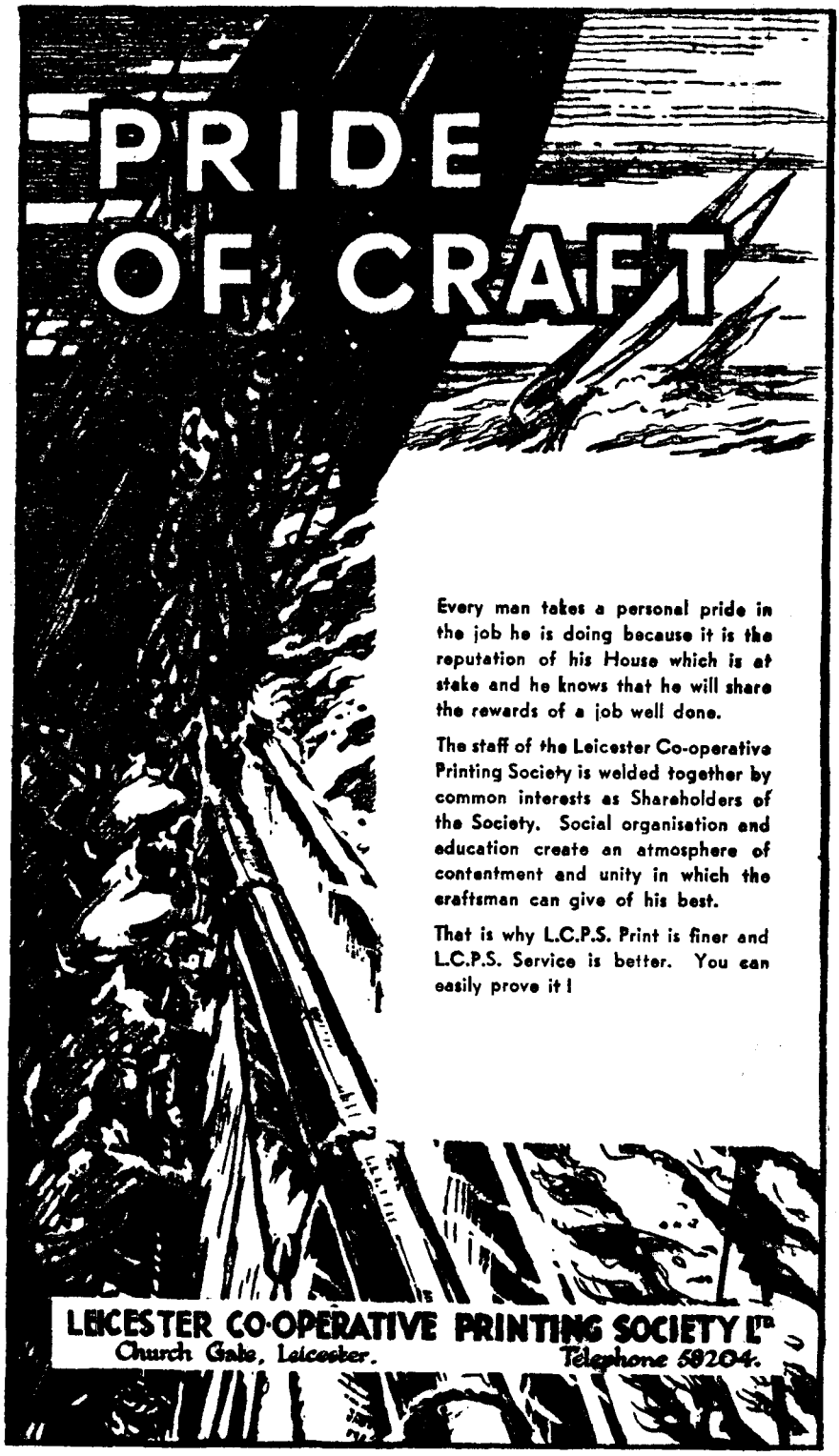
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Published by the Proprietors, the Trinity Trust, 43 Museum Street, W.C.1, and Printed by the Leicester Co-operative Printing Society Limited, 99 Church Gate, Leicester.

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